



REPUBLIC OF THE PHILIPPINES  
SUPREME COURT  
Manila

SECOND DIVISION

**NOTICE**

Sirs/Mesdames:

Please take notice that the Court, Second Division, issued a Resolution dated **02 September 2020** which reads as follows:

“**G.R. No. 251554 (Josefa Ignacio Hernandez [in her capacity as the Lone Distributee of the Estate of Deceased Leon P. Hernandez] v. Angelito “Boyet” Lee)**. – After considering the allegations, issues, and arguments raised in the Petition for Review on *Certiorari*,<sup>1</sup> the Court resolves to **DENY** the petition for failure of petitioner to show that the Court of Appeals (CA) committed any reversible error in the challenged Decision<sup>2</sup> dated September 11, 2019 and Resolution<sup>3</sup> dated January 23, 2020 as to warrant the Court’s exercise of its discretionary appellate jurisdiction.

The grounds relied upon by petitioner to support the instant petition are clearly factual in nature. In a Rule 45 petition, the Court’s jurisdiction is limited to reviewing and revising *errors of law* that might have been committed by the lower courts.<sup>4</sup> Thus, the petition should be denied in the absence of any *exceptional circumstance*<sup>5</sup> as to merit the Court’s review of factual questions that have already been settled by the tribunals below.

A perusal of the Petition for Review on *Certiorari*<sup>6</sup> shows that petitioner is still hinging on her argument that the Regional Trial Court (RTC) had no jurisdiction as the money claim of respondent should have been filed before a court sitting as a settlement court in a special

<sup>1</sup> Rollo, pp. 12-33.

<sup>2</sup> *Id.* at 37-48; penned by Associate Justice Danton Q. Bueser with Associate Justices Fernanda Lampas Peralta and Ronaldo Roberto B. Martin, concurring.

<sup>3</sup> *Id.* at 34-36.

<sup>4</sup> See *Far Eastern Surety and Insurance Co., Inc. v. People*, 721 Phil. 760, 770 (2013), citing *Remalante v. Tibe*, 241 Phil. 930 (1988).

<sup>5</sup> See *New City Builders, Inc. v. NLRC*, 499 Phil. 207, 212-213 (2005).

<sup>6</sup> Rollo, pp. 12-33.

proceeding instituted for the purpose of collecting a sum of money from the estate of Leon P. Hernandez (Leon). Petitioner further argues that the CA committed grave abuse of discretion when it held her liable for the outstanding debt while at the same time ruling that the complaint for nullification of the extrajudicial settlement of the estate was an improper action.

Pursuant to Section 1, Rule 74 of the Rules of Court, there could be an extrajudicial settlement of an estate when a deceased left *no will and no debts and the heirs are all of age*. However, in this case, petitioner gained knowledge of the existing and unpaid money obligation of the deceased Leon even before the date of execution of the Affidavit of Self-Adjudication.<sup>7</sup> As aptly found by the CA, it is not disputed that on November 14, 2009, petitioner received the letter<sup>8</sup> dated November 12, 2009 from respondent informing her that Leon had an outstanding obligation amounting to ₱532,418.00 and demanding payment thereof within ten days from receipt of the letter. Also, as borne by the records which remain uncontested, petitioner executed the Affidavit of Self-Adjudication<sup>9</sup> dated February 6, 2010 after she gained knowledge of the existing debt of Leon to the respondent. Petitioner even admitted that she received the letters<sup>10</sup> bearing the dates November 12, 2009 and October 10, 2010 from respondent informing her of the latter's money claims against the estate of Leon.

Indeed, as correctly found by the RTC and affirmed by the CA, respondent was able to sufficiently establish, through pieces of evidence presented before the RTC, a presumption that Leon had an existing obligation to him which petitioner failed to repudiate by her refusal to present any evidence. Consequently, the RTC was convinced that Leon owed respondent the amount of ₱532,418.00 and that the latter is an unpaid creditor of Leon.

Considering the knowledge of petitioner of the existing debts of Leon to respondent, and the latter being an unpaid creditor, her execution of the Affidavit of Self-Adjudication<sup>11</sup> clearly makes a case for nullification of the extrajudicial settlement. Summary settlement of estate through an extrajudicial settlement is warranted only when the decedent left no will and no debts.<sup>12</sup> However, as reasonably observed by

<sup>7</sup> *Id.* at 100-103.

<sup>8</sup> *Id.* at 133.

<sup>9</sup> *Id.* at 100-103.

<sup>10</sup> *Id.* at 133-134.

<sup>11</sup> *Id.* at 100-103.

<sup>12</sup> Section 1, Rule 74 of the Revised Rules of Court.



the RTC, it is more prudent not to disturb the Extra-Judicial Settlement of Estate of the deceased Leon since the amount of the claim is less than the value of the estate<sup>13</sup> so as to allow the court to fix the amount of the debt in proportion to or up to the extent of the assets already received in order to provide a more expedient and less expensive remedy which would dispense the appointment of an administrator and avoid disturbance of possession already enjoyed by the distributee.<sup>14</sup>

With respect to the propriety of the action filed by respondent, the Court, in a number of cases held that when an administration proceeding will be superfluous given that evidence were already presented during trial before the RTC which assumed jurisdiction and that a judgment had already been rendered upon the issues defined during the pre-trial, the civil case should proceed. In this case, it would be more practical to dispense with a separate special proceeding at this stage rather than entail delay with the collation of the assets and the appointment of an administrator inasmuch as it involved only one heir and the existence of Leon's debt had already been established.

Furthermore, in consonance with Section 4, Rule 74 of the Rules of Court, respondent timely filed the Complaint<sup>15</sup> on June 6, 2012, which was well-within the two-year prescriptive period, as he had until July 22, 2012 to file his claim for the satisfaction of Leon's debt in the amount of ₱532,418.00. Thus, the Court agrees with the CA:

[W]hen unpaid debts are discovered within the said period of two (2) years, the procedure is not to cancel the partition, nor to appoint an administrator to re-assemble the assets, as was allowed under the old Code, but the court, after hearing, shall fix the amount of such debts or lawful participation in proportion to or to the extent of the assets they have respectively received and, if circumstances require, it may issue execution against the real estate belonging to the decedent, or both. The present procedure is more expedient and less expensive in that it dispenses with the appointment of an administrator and does not disturb the possession enjoyed by the distributees.<sup>16</sup>

All told, the Court finds that the conclusion of the CA is not tainted with grave abuse of discretion to warrant the grant of the present petition.

**WHEREFORE**, the Petition is **DENIED**. The Decision dated

<sup>13</sup> *Rollo*, p. 154.

<sup>14</sup> *Tan v. Benolirao*, 619 Phil. 35, 51 (2009).

<sup>15</sup> *Rollo*, pp. 90-99.

<sup>16</sup> *Id.* at 46.

September 11, 2019 and the Resolution dated January 23, 2020 in CA-G.R. CV No. 110984 are **AFFIRMED**.

**SO ORDERED.**" (BALTAZAR-PADILLA, J., on leave).

By authority of the Court:



TERESITA AQUINO TUAZON  
Deputy Division Clerk of Court

30 SEP 2020

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(Civil Case No. 365-M-2012)

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