

## THIRD DIVISION

[ G.R. No. 206667, June 23, 2021 ]

**GUILLERMA S. SILVA, PETITIONER, VS. CONCHITA S. LO,  
RESPONDENT.**

### DECISION

**Hernando, J.:**

Challenged in this petition for review<sup>[1]</sup> on *certiorari* are the November 8, 2012 Decision<sup>[2]</sup> and April 11, 2013 Resolution<sup>[3]</sup> of the Court of Appeals (CA) in CA-G.R. SP No. 116979 which annulled and set aside the February 9, 2010 and August 27, 2010 Orders<sup>[4]</sup> of the Regional Trial Court (RTC), Branch 82, Quezon City in Civil Case No. Q-89-3137, an action for partition, accounting, delivery of shares and damages among the compulsory heirs of decedent Carlos Sandico, Jr. (Carlos Jr.).

#### **The Facts:**

On May 20, 1975, Carlos, Jr. died intestate leaving behind a sizeable estate to his compulsory heirs: the surviving spouse, Concepcion LimSandico (Concepcion), and their children, Ma. Enrica Sandico-Pascual (Enrica), Carlos L. Sandico III (Carlos III), petitioner Guillerma SandicoSilva (Guillerma), Lily Sandico-Brown (Lily), Pamela S. Zapanta (Pamela), respondent Conchita S. Lo (Conchita) and Teodoro L. Sandico (Teodoro).

Sometime in 1976, the heirs of Carlos Jr. executed an Extrajudicial Settlement of Estate which provided that all properties of the decedent shall be owned in common, *pro indiviso*, by his heirs.<sup>[5]</sup> In September 1988, Carlos, Jr.'s heirs executed a Memorandum of Agreement for the physical division of the estate.<sup>[6]</sup> However, both agreements were never implemented and the heirs remained *pro indiviso* co-owners of the estate's properties.

On August 3, 1989, Enrica, one of the heirs, filed Civil Case No. Q-89-3137 before the RTC impleading all the other heirs, her mother and siblings, as defendants. Eventually, Teodoro withdrew as defendant and joined suit as plaintiff-in-intervention.<sup>[7]</sup>

Opposing the physical division of the properties, defendants therein primarily asserted Concepcion's usufructuary rights over the estate's real properties. They further alleged a diminished value and use of the properties should these be physically divided. Given the unanimity of their defense against the complaint, Conchita and two other heirs residing abroad, Lily and Pamela, executed a Special Power of Attorney (SPA) in favor of their mother Concepcion and their sister, Guillerma, respectively.<sup>[8]</sup>

At the pre-trial, the parties stipulated on the following:

1. That this case is between members of the same family involving the mother and her children, all of whom are already of age;
2. That Carlos Sandico, Jr., husband of defendant [Concepcion] Lim-Sandico and father of the plaintiff [Enrica] and other defendants, died intestate on May 20, 1975, leaving as forced heirs the plaintiff and other defendants herein, that is, as legitimate spouse and seven (7) legitimate children;
3. That at the time of his death, the said deceased left the conjugal properties x x xx, one half (1/2) of which conjugal properties constituted his intestate estate;
4. That after the death of said Carlos Sandico, Jr., the parties herein executed an Extrajudicial Settlement of Estate dated November 18, 1976 distributing the intestate estate of the deceased, comprising of one half (1/2) of the aforesaid conjugal properties, pro indiviso among the parties herein in the proportions and manner stated in the said Extra-Judicial Settlement of Estate;
5. That after the death of the deceased on May 20, 1975, the defendant Concepcion Sandico took over actual administration of the said intestate estate, jointly with defendant Carlos Sandico III as contended by the plaintiff but denied by the defendant; and
6. That the fruits or proceeds from the said intestate estate were not distributed by the [defendant Concepcion] among the [co-heirs, the decedent's legitimate children], from that time up to the present, in accordance with the proportionate distribution agreed upon in the Extrajudicial Settlement of Estate, because of an alleged grant of usufruct supposedly executed by the plaintiff [Enrica] and the other defendants in [their mother's] favor, the existence and validity of which the plaintiff [Enrica] questions or contests.<sup>[9]</sup>

Thereafter, the RTC issued numerous orders reflecting the negotiations during court hearings for the distribution and partition of the estate among the heirs. The trial court encouraged the heirs to arrive at a mutually acceptable partition and distribution of the estate's properties. The contentious matters among the heirs were the inventory and classification of the estate's properties and their respective proposals for settlement and division thereof.

Significantly, on September 1, 1994, the Registry of Deeds of Pampanga issued Transfer Certificate of Title (TCT) No. 377745-R<sup>[10]</sup> covering the subject property, a 103,024-square meter tract of agricultural land located at Talimundok, San Agustin, Magalang, Pampanga. The title was issued in the names of Concepcion and Carlos III subject to the encumbrances of the decedent's estate which listed the names of the other compulsory heirs, including herein petitioner and respondent, Guillerma and Conchita, respectively. The title's Memorandum of Encumbrances likewise noted Enrica's *lis pendens* in connection with Civil Case No. Q-89-3137.<sup>[11]</sup>

In the course of the trial, the heirs agreed on the manner of division of each property-*via* raffle conducted by the trial court. The heirs drew lots for an *aliquot* of each property of the estate, with Concepcion drawing first. For the heirs who failed to attend the hearing and the scheduled raffle, their respective counsels or their appointed attorney-in-fact, either Concepcion or Guillerma, in the case of Conchita, Lily and Pamela, drew the lot on their behalf.

For ease of reference, we reproduce some of the RTC's Orders:

On several dates, this Court issued the following Orders containing the stipulations agreed upon by the parties toward the settlement of this long delayed case:

(1) x x x As indicated in the previous Order of this Court, the only obstacle remaining in the way of the parties reaching a compromise agreement is the delivery of the Amorsolo paintings designated to the plaintiff [Enrica] and the plaintiff-in-intervention [Teodoro]. The defendants finally agreed to deliver the same; provided, this will be the last act that will be done to completely effectuate the compromise agreement. After discussion of the modes to be followed in connection with finalizing the compromise agreement and implementing the same, defendants' counsel agreed to prepare a final draft of a compromise agreement according to what have been agreed upon by the parties, without prejudice to the immediate physical division of the properties to be subdivided among the parties." (Court Order dated November 14, 1996)

(2) x x x Pursuant to the Order of this Court dated December 12, 1996, the disposition of the lots referred to as Items No. 1 to 16 were taken up one after the other. The lot designated as Item 1 was accordingly first identified by clarifying its location, boundaries and character (conjugal). Counsel of record for all the parties agreed that defendant Concepcion Lim-Sandico draw ahead to determine which portion thereof (whether left or the right) should go to her as her conjugal share, as well as her share as one of the heirs together with her children. The Court accordingly conducted the drawing of lots. Defendant Concepcion Lim-Sandico drew the left portion or the lots designated as L-1 to 8 and R-8. The lots designated as R-1 to R-7 shall appertain to the seven children or heirs of the deceased. Under the personal supervision of the Presiding Judge, counsel for the plaintiff [Enrica] drew lot R-6; counsel for the plaintiff-in-intervention drew lot R-7; defendant Guillerma Silva drew lot R-5 for herself and lot R-2 for defendant Lily S. Brown and Lot R-4 for defendant Pamela S. Zapanta; while Concepcion Lim-Sandico drew Lot R-1 for defendants Carlos Sandico III and Lot R-3 for Conchita S. Lo.<sup>[12]</sup>

For three years, under the supervision of the RTC, the heirs negotiated the terms of the estate's partition to be embodied in a compromise agreement. Not surprisingly, a flurry of drafts (of the compromise agreement) containing proposals for the distribution of the estate's properties were exchanged among the heirs.

After the plaintiffs, Enrica and Teodoro, signed the final draft of the compromise

agreement, the defendants, Concepcion and the rest of her children, tarried signing thereof. Primarily, Concepcion continued to object to the division of the properties as it would purportedly reduce the value and utility thereof. This sparked another set of discussion among the opposing heirs culminating in the plaintiffs' (Enrica's and Teodoro's) motion for the RTC to "decide the case on the basis of the stipulations entered into by the parties embodied in the various orders of the Court."<sup>[13]</sup>

On January 11, 2000, the RTC issued an Order of Partition:<sup>[14]</sup>

After a careful and conscientious consideration of the foregoing submission of the plaintiffs and the defendants, this Court concluded that it is the better part of discretion to grant the former's Motion and decide the present case in accordance with their aforestated submissions and contentions.

x x x x

[T]his Court cannot set at naught what the parties and their lawyers have agreed upon by allowing them, or any of them, to repudiate, disown or disregard the Compromise Agreement that resulted from the negotiations they carried out and concluded under the aegis and supervision of this Court. In fact, the plaintiff and the plaintiff-in-intervention, with the assistance of their respective counsel, have already signed the final Compromise Agreement. Sad to say, the defendants balked at affixing their signatures when the plaintiff and the plaintiff-in-intervention refused to accede to the last minute change proposed by defendant Concepcion Lim-Sandico.

As a result, both plaintiff and plaintiff-in-intervention in effect moved and pray that this Court consider this case submitted for decision on the basis of the agreements reached by the parties during the arduous negotiations for the amicable settlement thereof, as embodied in the various relevant Orders of this Court aforequoted and on the basis of the terms and conditions of the Compromise Agreement already signed by them notwithstanding the refusal of the defendants to do the same.

While it is inclined to deem defendants' eleventh hour stand not to be without logical basis, **this Court** nonetheless is of the considered opinion, and it so **holds**, that the defendants are legally bound by their previous acts and admissions and by the previous Orders of this Court as above-enumerated, and **that the final Compromise Agreement** already signed by the plaintiff and the plaintiff-in-intervention **is sufficient evidence of the extent and composition of the estate of the late Carlos Sandico, Jr. and constitutes a valid and proper project for its partition.**

**WHEREFORE, premises considered, judgment is hereby rendered declaring and ordering the partition of the intestate estate of the late Carlos Sandico, Jr. among his surviving spouse and children (parties herein) in accordance with and pursuant to the terms and conditions contained in the final Compromise Agreement already signed by the plaintiff and the plaintiff-in-intervention,**

**dated September 17, 1998, which is hereby incorporated to and made part of this Order disposing of the present case by way of reference.** All other reliefs prayed for by the parties in their respective relevant pleadings are hereby DENIED/DISMISSED.<sup>[15]</sup> (Emphasis supplied)

On June 26, 2000, Conchita executed a Revocation of the SPA. Conchita filed a copy of the Revocation with the RTC but failed to furnish her agent, Concepcion, a copy thereof. The latest SPA dated June 8, 1999 issued by Conchita in favor of Concepcion provided, thus:

That I have named, constituted and appointed, and by these presents do name, constitute and appoint my mother CONCEPCION LIM-SANDICO, x x x, to be my true and lawful attorney-in-fact, for me and in my name, place and stead, to do or perform any or all of the following acts and things, to wit:

1. To represent me in all the hearings of the above-mentioned case;
2. To enter into any compromise, settlement or any agreement with respect to the said case in any manner and under such terms and conditions as she may consider appropriate and acceptable;
3. To enter into any stipulation of facts and to make any admission in connection with the said case as she may consider acceptable and appropriate;
4. To enter into any partition agreement involving the properties subject of the said case of which I have an interest or participation;
5. To make, sign, execute, acknowledge and deliver any and all documents or writing of whatever nature in connection with, or in relation to, the powers or authority herein given. x x x<sup>[16]</sup>

Notably, Conchita continued to retain the same counsel, Atty. Danilo Tuason, as that of the other defendants in the case.

Despite the RTC's January 11, 2000 Order of Partition, various properties of the estate remained undivided and were not distributed among the heirs. Thus, on August 29, 2003, Enrica filed a Motion to Appoint Commissioners to Make Partition.<sup>[17]</sup>

On September 10, 2003, Atty. Tuason, counsel for the defendants, filed a Manifestation opposing the appointment of commissioners on the ground that the agricultural land tenants have already agreed to the subdivision of the agricultural lands. Apparently, some of the estate's agricultural lands, including the herein subject property, were covered by Republic Act No. 6657, The Comprehensive Agrarian Reform Law (CARL), for distribution to tenant-farmers. Thus, in compliance with the law, the heirs, represented by Concepcion, executed a *Kasunduan* dated May 19, 1999 (1999 *Kasunduan*)<sup>[18]</sup> with the tenants. The 1999 *Kasunduan*, a voluntary land transfer arrangement allowed by the CARL, provided for a 50-50 sharing of the subject property, *i.e.*, Carlos, Jr.'s heirs retained half thereof, and the