

SECOND DIVISION

[G.R. No. 192085, February 22, 2012]

CARIDAD SEGARRA SAZON, PETITIONER, VS. LETECIA VASQUEZ-MENANCIO, REPRESENTED BY ATTORNEY-IN-FACT EDGAR S. SEGARRA, RESPONDENT.

D E C I S I O N

SERENO, J.:

The present case stems from a Complaint for Recovery of Possession of Real Properties, Accounting and Injunction^[1] filed by Leticia Vasquez-Menancio (respondent) against Caridad S. Sazon (petitioner) in the Regional Trial Court (RTC) of Ligao City, Albay. The RTC ruled in favor of respondent, but reversed itself when petitioner filed a Motion for Reconsideration (MR). Respondent appealed the case to the Court of Appeals (CA), but it affirmed the first Decision of the RTC. She filed another MR, but the CA denied it for lack of merit.

The Case

Before us is a Petition for Review^[2] under Rule 45 of the Rules of Court, assailing the 26 November 2009 Decision^[3] of the appellate court in CA-GR CV No. 91570. The challenged Decision disposed as follows:

WHEREFORE, the appeal is **DISMISSED**. The *Decision* dated 31 July 2007 of the Regional Trial Court, Branch 13, Ligao City, in Civil Case No. T-1944 is **AFFIRMED** with **MODIFICATION** in that Caridad S. Sazon is **ORDERED** to pay Leticia Vasquez-Menancio the amount of ₱908,112.62, representing the unremitted fruits and income of the subject properties from 1979 to 1997. This is already net of administration expenses, allowance for compensation and proved real estate taxes paid. The *Decision* is **affirmed** in all other respects.

SO ORDERED.^[4]

Antecedents

Respondent is a resident of the United States of America. Sometime in 1979, she entrusted the management, administration, care and preservation of her properties to petitioner. These properties are more specifically described as follows:

- I. Residential lot, with an area of 573 sq. m., located in Zone III, Libon, Albay, declared under Tax No. 097-03-0066 in the sum of ?

24,070.00

- II. Residential lot, with an area of 299 sq. m., located in Zone III, Libon, Albay, declared under Tax No. 097-003-00115 in the sum of P12,560.00
- III. Residential lot, with an area of 873 sq. m., located in San Antonio St., Libon, Albay, declared under Tax No. 097-003-00068 in the sum of P36,670.00
- IV. Irrigated riceland, Cad. Lot No. 852, with an area of 3.1304 hectares, located at San Isidro, Libon, Albay, declared under Tax No. 07-039-235 in the sum of P96,580.00
- V. Irrigated riceland, with an area of 1.5652 hectares, located at Bololo Centro, Libon, Albay, declared under Tax No. 07-005-104 in the sum of P48,290.00
- VI. Irrigated riceland, with an area of .6720 hectares, located at Bololo Centro, Libon, Albay, declared under Tax No. 07-005-103 in the sum of P29,730.00
- VII. Irrigated riceland, with an area of .6380 hectares, located at Balagon Centro, Libon, Albay, declared under Tax No. 07-005-222 in the sum of P19,680.00
- VIII. Coconut land, with an area of ten (10) hectares, located at Macabugos, Libon, Albay, declared under Tax No. 07-023-85 in the sum of P42,840.00
- IX. Coconut land, with an area of 3.7102 hectares, located at Macabugos, Libon, Albay, declared under Tax No. 07-023-86 in the sum of P15,740.00^[5]

The properties shall hereinafter be referred to individually as "Lot I," "Lot II" and so on for brevity.

Respondent avers that Lots I to IX are productive, and that petitioner as the administrator has collected and received all the fruits and income accruing therefrom. Petitioner, on the other hand, claims that several of the properties do not produce any fruit or generate any income at all,^[6] and that any supposed income derived from them is not sufficient to answer for all the expenses incurred to maintain them.^[7]

According to respondent, petitioner never rendered a full accounting of the fruits and income derived from the properties, but has instead appropriated and in fact applied these for her own use and benefit. Denying this allegation, petitioner presented five letters—dated 21 January 1983, 12 March 1984, 15 September 1986, 2 December 1988, and one undated—which had been sent to respondent as proof of the accounting.^[8]

Furthermore, petitioner denies receipt of any letter asking her to make an accounting or to remit the fruits collected from the properties. [9] She further avers that, since the start of her agency agreement with respondent, the latter never answered "any of the communications" petitioner had sought to initiate.[10]

As a result of the foregoing, respondent revoked, in writing, all the powers and authority of administration granted to petitioner effective March 1997. Thereafter, the former demanded that petitioner return and/or turn over the possession and administration of the properties.

Respondent claims that she made repeated verbal, and served written, demands upon petitioner, asking the latter to render an accounting and to remit the owner's share of the fruits. Petitioner, however, continued to fail and to refuse to perform her obligation.[11] In fact, she continues to hold on to the properties and the management and administration thereof. Further, she continues to collect, receive, and keep all the income generated by the properties.

Thus, on 30 October 1997, respondent filed her Complaint with Preliminary Injunction,[12] praying that the RTC order petitioner to render an accounting and remit all the fruits and income the latter, as the administrator, received from the properties.

In her Answer with Counterclaim,[13] petitioner alleges as follows:

- 2.a. Lot area of 573 sq.m.-is being leased by Salome S. Segarra which is duly covered by a Lease Contract executed during the effectivity of the Special Power of Attorney granted to the herein defendant. Furthermore, the said Lease Contract was entered into with the express consent, and without any objection on the part of the plaintiff since she was consulted prior to its execution; xxx,
- 2.b. Lot area of 299 sq. m. – This is included in the [L]ease [C]ontract above-mentioned.
- 2.c. Lot area of 873 sq. m. – This is likewise duly covered by a Lease Contract executed between the herein defendant as lessee and Ana C. Segarra when the latter was still the administrator of the properties of the plaintiff. The said Lease Contract was likewise entered into with the express consent and without any objection on the part of the plaintiff since she was again consulted prior to its execution; xxx.
- 2.d. Lot area of 3.1304 hectares – this is administered as to 2/3 of the total land area but not as to the other 1/3 as the same is owned by the defendant's mother Ana C. Segarra by virtue of a contract of sale from Mrs. Josefina Segarra, the co-owner of the plaintiff over the said land; xxx,
- 2.e. Lot area of 1.5652 hectares and .6720 hectares are not owned by the plaintiff but that of the mother of the herein defendant Ana C. Segarra by virtue of a Deed of Redemption, as in fact, they are in possession thereof as owners and not as administrator of the plaintiff; xxx,

- 2.f. Lot area of .6380 hectares – said land is presently possessed by the alleged administrator of the plaintiff yet the plaintiff still seeks the return of the same which constitutes an act that trifles with the administration of justice and further prove that this groundless case was filed with this court purely to harass the herein defendant;
- 2.g. Lot area of 10 hectares and Lot area of 3.7102 hectares – the herein defendant is no longer in possession of these lots as in fact, the fruits of these lands are not being turned over to the defendant ever since the plaintiff revoked the authority given to the defendant, xxx.^[14]

In short, petitioner argues that respondent has no cause of action against her for the following reasons:^[15]

1. The properties that cannot be returned because they are under valid lease agreements—Lots I-III—and those that have been transferred to a third party by virtue of contracts of sale with corresponding deeds of redemption—Lots V and VI—can no longer be given to respondent;^[16]
2. Some properties are already in respondent's possession—Lots IV and VII-IX.^[17]

By way of compulsory counterclaim, petitioner is asking this Court to order respondent to return the one-third portion of Lot IV allegedly owned by petitioner's mother and the fruits collected therefrom.^[18]

During the pretrial conference held on 24 July 1998, the parties agreed that respondent already had possession over Lots IV, VII, VIII, and IX. They also agreed that all the income derived from Lots I to IX since 1979 were received by petitioner.^[19]

In a Decision^[20] dated 31 July 2007, the RTC ruled in favor of respondents. The dispositive portion thereof reads:

WHEREFORE, the foregoing premises duly considered, judgment is hereby rendered in favor of plaintiff Leticia Vasquez-Menancio and against defendant Caridad S. Sazon, as follows:

- a) ordering the defendant to turn over the possession, management and administration of all the properties enumerated in paragraph 2 of the complaint, except parcels 4, 7, 8 and 9 which were already under plaintiff's possession since August, 1977, to the plaintiff, thru attorney-in-fact Edgar S. Segarra;
- b) ordering the defendant to remit to the plaintiff the total sum of P1,265,493.75 representing unremitted fruits and income of the subject properties, less the amount of P150,000.00 by way of administration expenses incurred by

defendant;

c) ordering the defendant to pay the plaintiff the sum of P50,000.00 as moral damages;

d) ordering the defendant to reimburse the plaintiff the sum of P20,000.00 as and for attorney's fees, plus the sum of P1,000.00 for every court appearance of counsel; and —

e) ordering the defendant to pay the costs of the suit.

On the other hand, plaintiff Leticia Vasquez-Menancio is hereby ordered to pay defendant Caridad S. Sazon the total sum of P180,000.00, representing the latter's compensation in administering the former's properties based on *quantum meruit*.

SO ORDERED.^[21]

Petitioner filed her MR on 20 August 2007 questioning the trial court's Decision to rely on the computation made by respondent's attorney-in-fact. These computations, reflected in paragraph (b) of the dispositive portion, were used by the RTC to determine the prices of *palay*, corn and copra at the time that petitioner administered the properties. Realizing, however, that it should have considered the Certifications issued by the National Food Authority (NFA) and the Philippine Coconut Authority (PCA) for that purpose, the RTC ruled in favor of respondent and partly reversed its 28 March 2008 Decision, the dispositive portion of which reads:

WHEREFORE, the foregoing premises duly considered, the Court resolves to set aside the Decision dated July 31, 2007. In lieu thereof, a new decision is hereby rendered as follows:

a) ordering the defendant Caridad S. Sazon to turn over the possession, management and administration of all the properties enumerated in paragraph 2 of the complaint, except parcels 4, 7, 8 and 9 which were already under plaintiff's possession since August, 2007, to plaintiff Leticia Vasquez-Menancio, thru her attorney-in-fact Edgar S. Segarra;

b) ordering the defendant to render full, accurate and complete accounting of all the fruits and proceeds of the subject properties during the period of her administration; and

c) ordering the defendant to reimburse the plaintiff the sum of P20,000.00, as and for attorney's fees;

Costs against defendant.

SO ORDERED.^[22] (Emphasis supplied in the original)

Still aggrieved, petitioner raised the matter to the CA, but it dismissed her appeal. It