

## THIRD DIVISION

[ G.R. NO. 127920, August 09, 2005 ]

**EMILIO B. PACIOLES, JR., IN HIS CAPACITY AS ADMINISTRATOR  
AND HEIR OF THE INTESTATE ESTATE OF MIGUELITA CHING-  
PACIOLES, PETITIONER, VS. MIGUELA CHUATOCO-CHING,  
RESPONDENT.**

### D E C I S I O N

**SANDOVAL-GUTIERREZ, J.:**

Oftentimes death brings peace only to the person who dies but not to the people he leaves behind. For in death, a person's estate remains, providing a fertile ground for discords that break the familial bonds. Before us is another case that illustrates such reality. Here, a husband and a mother of the deceased are locked in an acrimonious dispute over the estate of their loved one.

This is a petition for review on *certiorari* filed by Emilio B. Pacioles, Jr., herein petitioner, against Miguela Chuatoco-Ching, herein respondent, assailing the Court of Appeals Decision<sup>[1]</sup> dated September 25, 1996 and Resolution<sup>[2]</sup> dated January 27, 1997 in CA-G.R. SP No. 41571.<sup>[3]</sup> The Appellate Court affirmed the Order dated January 17, 1996 of the Regional Trial Court (RTC), Branch 99, Quezon City **denying** petitioner's motion for partition and distribution of the estate of his wife, Miguelita Ching-Pacioles; and his motion for reconsideration.

The facts are undisputed.

On March 13, 1992, Miguelita died intestate, leaving real properties with an estimated value of P10.5 million, stock investments worth P518,783.00, bank deposits amounting to P6.54 million, and interests in certain businesses. She was survived by her husband, petitioner herein, and their two minor children.

Consequently, on August 20, 1992, petitioner filed with the RTC a verified petition<sup>[4]</sup> for the settlement of Miguelita's estate. He prayed that **(a)** letters of administration be issued in his name, and **(b)** that the net residue of the estate be divided among the compulsory heirs.

Miguelita's mother, Miguela Chuatoco-Ching, herein respondent, filed an opposition, specifically to petitioner's prayer for the issuance of letters of administration on the grounds that **(a)** petitioner is incompetent and unfit to exercise the duties of an administrator; and **(b)** the bulk of Miguelita's estate is composed of "**paraphernal properties**." Respondent prayed that the letters of administration be issued to her instead.<sup>[5]</sup> Afterwards, she also filed a motion for her appointment as special administratrix.<sup>[6]</sup>

Petitioner moved to strike out respondent's opposition, alleging that the latter has no direct and material interest in the estate, she not being a compulsory heir, and that he, being the surviving spouse, has the preferential right to be appointed as administrator under the law.<sup>[7]</sup>

Respondent countered that she has direct and material interest in the estate because she gave half of her inherited properties to Miguelita on condition that both of them "**would undertake whatever business endeavor they decided to, in the capacity of business partners.**"<sup>[8]</sup>

In her omnibus motion<sup>[9]</sup> dated April 23, 1993, respondent **nominated** her son **Emmanuel Ching** to act as special administrator.

On April 20, 1994, the intestate court issued an order appointing petitioner and Emmanuel as joint regular administrators of the estate.<sup>[10]</sup> Both were issued letters of administration after taking their oath and posting the requisite bond.

Consequently, Notice to Creditors was published in the issues of the Manila Standard on September 12, 19, and 26, 1994. However, no claims were filed against the estate within the period set by the Revised Rules of Court.

Thereafter, petitioner submitted to the intestate court an inventory of Miguelita's estate.<sup>[11]</sup> **Emmanuel did not submit an inventory.**

On May 17, 1995, the intestate court declared petitioner and his two minor children as the only compulsory heirs of Miguelita.<sup>[12]</sup>

On July 21, 1995, petitioner filed with the intestate court an omnibus motion<sup>[13]</sup> praying, among others, that an Order be issued directing the: **1) payment of estate taxes; 2) partition and distribution of the estate among the declared heirs; and 3) payment of attorney's fees.**

Respondent opposed petitioner's motion on the ground that the partition and distribution of the estate is "**premature and precipitate,**" considering that there is yet no determination "whether the properties specified in the inventory are conjugal, paraphernal or owned in a joint venture."<sup>[14]</sup> **Respondent claimed that she owns the bulk of Miguelita's estate as an "heir and co-owner." Thus, she prayed that a hearing be scheduled.**

On January 17, 1996, the intestate court **allowed the payment of the estate taxes and attorney's fees** but denied petitioner's prayer for partition and distribution of the estate, holding that it is indeed "**premature.**" The intestate court ratiocinated as follows:

"On the partition and distribution of the deceased's properties, among the declared heirs, the Court finds the prayer of petitioner in this regard to be premature. Thus, a hearing on oppositor's claim as indicated in her opposition to the instant petition is necessary to determine "**whether the properties listed in the amended complaint filed by petitioner are entirely conjugal or the paraphernal properties of the**

**deceased, or a co-ownership between the oppositor and the petitioner in their partnership venture."**

Petitioner filed a motion for reconsideration but it was denied in the Resolution dated May 7, 1996.

Forthwith, petitioner filed with the Court of Appeals a petition for *certiorari* seeking to annul and set aside the intestate court's Order dated January 17, 1996 and Resolution dated May 7, 1996 which denied petitioner's prayer for partition and distribution of the estate for being premature, indicating that it (intestate court) will first resolve respondent's claim of ownership.

The Appellate Court dismissed the petition for *certiorari*, holding that in issuing the challenged Order and Resolution, the intestate court did not commit grave abuse of discretion.

The Appellate Court ruled:

"Regarding the second issue raised, respondent judge did not commit grave abuse of discretion in entertaining private respondent's unsupported claim of ownership against the estate. In fact, there is no indication that the probate court has already made a finding of title or ownership. It is inevitable that in probate proceedings, questions of collation or of advancement are involved for these are matters which can be passed upon in the course of the proceedings. The probate court in exercising its prerogative to schedule a hearing, to inquire into the propriety of private respondent's claim, is being extremely cautious in determining the composition of the estate. This act is not tainted with an iota of grave abuse of discretion."

Petitioner moved for a reconsideration but it was likewise denied. Hence, this petition for review on *certiorari* anchored on the following assignments of error:

"I

RESPONDENT COURT'S DECISION WHICH AFFIRMS THE INTESTATE COURT'S ORDER IS A GRAVE ERROR FOR BEING CONTRARY TO THE SETTLED JURISPRUDENCE AND POLICY OF THE LAW THAT ESTATE PROCEEDINGS MUST BE SETTLED EXPEDITIOUSLY.

II

RESPONDENT COURT COMMITTED GRAVE ERROR IN SUSTAINING THE INTESTATE COURT'S ORDER TO CONDUCT HEARING ON THE ISSUE OF OWNERSHIP CLAIM AGAINST THE ESTATE, AS SAID FUNCTION IS OUTSIDE AND BEYOND THE JURISDICTION OF THE INTESTATE COURT.

III

RESPONDENT COURT GRAVELY ERRED IN AFFIRMING THE INTESTATE COURT'S ORDER AND RESOLUTION NOTWITHSTANDING THAT RESPONDENT CHING'S OWNERSHIP CLAIMS ARE CONFLICTING, FRIVOLOUS AND BASELESS."

The fundamental issue for our resolution is: *May a trial court, acting as an intestate court, hear and pass upon questions of ownership involving properties claimed to be part of the decedent's estate?*

The general rule is that the jurisdiction of the trial court either as an intestate or a probate court relates only to matters having to do with the settlement of the estate and probate of will of deceased persons but **does not extend to the determination of questions of ownership that arise during the proceedings.**

[15] The patent rationale for this rule is that such court exercises special and limited jurisdiction.[16]

A well-recognized deviation to the rule is the principle that an intestate or a probate court may hear and pass upon questions of ownership when its purpose is to determine whether or not a property should be included in the inventory. In such situations the adjudication is merely incidental and provisional. Thus, in *Pastor, Jr. vs. Court of Appeals*, [17] we held:

"x x x As a rule, the question of ownership is an extraneous matter which the probate court cannot resolve with finality. **Thus, for the purpose of determining whether a certain property should or should not be included in the inventory of estate properties, the probate court may pass upon the title thereto, but such determination is provisional, not conclusive, and is subject to the final decision in a separate action to resolve title.**"

The Court of Appeals relied heavily on the above principle in sustaining the jurisdiction of the intestate court to conduct a hearing on respondent's claim. **Such reliance is misplaced.** Under the said principle, the key consideration is that the purpose of the intestate or probate court in hearing and passing upon questions of ownership **is merely to determine whether or not a property should be included in the inventory.** The facts of this case show that such was not the purpose of the intestate court.

**First**, the inventory was not disputed. In fact, in her Manifestation and Opposition [18] dated September 18, 1995, respondent expressly adopted the inventory prepared by petitioner, thus:

"6. **She adopts the inventory submitted by the petitioner in his Amended Compliance dated October 6, 1994**, and filed only on November 4, 1994 not October 5, 1995 as erroneously asserted in Par. 12 of the Omnibus Motion. Oppositor, however, takes exception to the low valuation placed on the real estate properties and reserves her right to submit a more accurate and realistic pricing on each."

Respondent could have opposed petitioner's inventory and **sought the exclusion of the specific properties which she believed or considered to be hers.** But instead of doing so, she expressly adopted the inventory, taking exception only to the low valuation placed on the real estate properties.

And **second**, Emmanuel, respondent's son and representative in the settlement of Miguelita's estate, did not submit his own inventory. His mandate, as co-administrator, is "to submit within three (3) months after his appointment a true

inventory and appraisal of all the real and personal estate of the deceased which have come into his possession or knowledge."<sup>[19]</sup> **He could have submitted an inventory, excluding therefrom those properties which respondent considered to be hers. The fact that he did not endeavor to submit one shows that he acquiesced with petitioner's inventory.**

Obviously, respondent's purpose here was not to obtain from the intestate court a ruling of what properties should or should not be included in the inventory. She wanted something else, i.e., **to secure from the intestate court a final determination of her claim of ownership over properties comprising the bulk of Miguelita's estate.** The intestate court went along with respondent on this point as evident in its Resolution<sup>[20]</sup> dated May 7, 1996, thus:

"On petitioner's motion for partition and distribution of the estate of the late Miguelita Ching Pacioles, it is believed that since oppositor had interposed a claim against the subject estate, the distribution thereof in favor of the heirs could not possibly be implemented as there is still a need for appropriate proceedings to determine the propriety of oppositor's claim. It must be mentioned that if it is true that oppositor owns the bulk of the properties, which she allegedly placed/registered in the name of the deceased for convenience, Oppositor, therefore, has a material and direct interest in the estate and hence, should be given her day in Court."

It is apparent from the foregoing Resolution that the purpose of the hearing set by the intestate court was actually to **"determine the propriety of oppositor's (respondent's) claim."** According to the intestate court, **"if it is true that the oppositor (respondent) owns the bulk of (Miguelita's) properties,"** then it means that she has a **"material and direct interest in the estate"** and, hence, **"she should be given her day in court."** The intended "day in court" or hearing is geared towards resolving the propriety of respondent's contention that she is the true owner of the bulk of Miguelita's estate.

Surely, we cannot be deluded by respondent's ingenious attempt to secure a proceeding for the purpose of resolving her blanket claim against Miguelita's estate. Although, she made it appear that her only intent was to determine the accuracy of petitioner's inventory, however, a close review of the facts and the pleadings reveals her real intention.

Clearly, the RTC, acting as an intestate court, had overstepped its jurisdiction. Its proper course should have been to maintain a hands-off stance on the matter. It is well-settled in this jurisdiction, sanctioned and reiterated in a long line of decisions, that when a question arises as to ownership of property alleged to be a part of the estate of the deceased person, but claimed by some other person to be his property, not by virtue of any right of inheritance from the deceased but by title adverse to that of the deceased and his estate, such question cannot be determined in the course of an intestate or probate proceedings. **The intestate or probate court has no jurisdiction to adjudicate such contentions, which must be submitted to the court in the exercise of its general jurisdiction as a regional trial court.**<sup>[21]</sup> Jurisprudence teaches us that: