

THIRD DIVISION

[CA-G.R. CV NO. 99036, March 14, 2014]

RAQUEL F. REYES-CAMILON, PLAINTIFF-APPELLANT, VS. MA. SHARON REYES, DOLORA REYES RIVERA, MYRAFLOR REYES CHI, MARGARITA REYES DAVIS, ALMA REYES HERNANDEZ AND ALEXANDER REYES, DEFENDANTS-APPELLEES.

DECISION

DE GUIA-SALVADOR, R., J.:

At bench is an appeal from the Orders dated March 13, 2012^[1] and June 13, 2012^[2] of the Regional Trial Court (RTC) of Makati City, Branch 132, in Civil Case No. 11-822. The dispositive portion of the March 13, 2012 order reads:

WHEREFORE, premises considered, defendant Ma. Sharon Reyes' Motion to Dismiss is hereby ordered GRANTED, and this case is hereby ordered DISMISSED.

SO ORDERED.^[3]

The dispositive portion of the June 13, 2012 order states:

Acting on the Omnibus Motion (1) For Reconsideration, (2) Consolidation, and (3) To Admit Amended and Supplemental Complaint filed by the plaintiff thru Atty. Lourdes F. Florentino last 04 April 2012, the Opposition/Comments to Plaintiff's Omnibus Motion filed by the defendants thru Atty. Leoville T. Ecarma last 08 May 2012, as well as the Reply filed by the plaintiff last 18 May 2012, and finding no cogent reason why this Court should disturb or reconsider its Order of dismissal of 13 March 2012, the present Omnibus Motion is hereby ordered DENIED.

SO ORDERED.^[4]

The Facts

On August 22, 2011, plaintiff-appellant Raquel F. Reyes-Camilon ("appellant" / "Raquel") filed a Complaint for Quieting of Title, Cancellation of Transfer Certificate of Title (TCT), Declaration of Nullity/Non-existence of Falsified Contract of Sale of Real Property, TCT and Tax Declarations based on Falsified Deed of Sale, Reconveyance and Costs of Suit before the Makati RTC.^[5] Named defendants were herein appellees Ma. Sharon Reyes, Dolora Reyes Rivera, Myraflor Reyes Chi, Margarita Reyes Davis, Alma Reyes Hernandez and Alexander Reyes ("appellees" / "Sharon, *et al.*"). The complaint essentially alleged that the subject property, with an area of 369 square meters (sq. m.) and located at Magsaysay Ave., Guadalupe, Makati City and now covered by TCT No. 217560, Register of Deeds, Makati City,

has been transferred in the names of appellees Ma. Sharon Reyes and Dolora Reyes Rivera by virtue of an allegedly falsified Deed of Sale, in which the parties' late parent Alejandro Reyes and Concepcion Flores purportedly executed such transfer of ownership.^[6] However, the complaint also alleged that there is a pending "Consolidated Estate Settlement Cases" before the Makati RTC, which is a consolidation of a case for settlement of intestate estate of the parties' parents, filed by appellant, and a petition for probate of the alleged holographic will of Alejandro Reyes, filed by appellee Ma. Sharon Reyes.^[7] The complaint prayed for the declaration of nullity of the said deed of sale, the cancellation of TCT No. 217560, and the cancellation of Tax Declaration Nos. F01503741 and F01503739, among other things.^[8]

Against the appellant's complaint, appellee Ma. Sharon Reyes filed her Motion to Dismiss, in which she argued that appellant has no legal capacity to file the case, as the estates of Alejandro and Concepcion Reyes are undergoing settlement proceedings where, in fact, an administrator has been appointed.^[9] She argues that it is the estates, through the administrator, who have the capacity to file an action for the cancellation of TCT No. 217560, which was formerly in the names of Alejandro and Concepcion.^[10]

The RTC's Ruling

On March 13, 2012, the RTC issued its questioned order, granting the motion to dismiss filed by appellee Ma. Sharon Reyes. The court stated that since an administrator, Atty. Elmer Cadano, has been appointed for the estate of the parties' parents, appellant has no more personality to file the case.^[11] It added that appellant would have had the personality to do so under one of the exceptions to the rule that only an administrator has such right, which exception is, the fact of collusion of the the administrator with the defendants. However, such collusion must be alleged in the complaint, and the administrator be made a party defendant. None of these, however, were done by appellant. Appellant first raised such fact of collusion only in her comment to the motion to dismiss.^[12]

Appellant, in an Omnibus Motion 1) for Reconsideration, 2) Consolidation and 3) To Admit Amended and Supplemental Complaint,^[13] moved to reconsider the above order of dismissal of the RTC, but such was also denied by the court.^[14]

Hence, this appeal.

Meanwhile, on April 18, 2012, defendant-appellee Alma Reyes-Hernandez filed her Answer to the complaint. She alleged that she was merely being impleaded as an unwilling co-plaintiff, which unwillingness she attributed to the fact of her having a precarious heart ailment and her decision to merely await the resolution of the consolidated estate settlement cases.^[15]

Appellant, in her appeal brief,^[16] assigns the following as the alleged errors in the trial court's decision:

- I. The Trial Court committed reversible error in dismissing the complaint on the ground that Plaintiff-Appellant has no personality to file this action for the recovery of the property of the estates for her failure to implead in her Complaint the administrator as party defendant.

II. The Trial Court committed reversible error in denying Plaintiffs-Appellants' Omnibus Motion (1) For Reconsideration to the Order granting the Motion to Dismiss of Defendant-Appellee Ma. Sharon F. Reyes; (2) For Consolidation of the subject Complaint with the two Estates Settlement Cases and (3) To Admit Amended and/or Supplemental Complaint.^[17]

Appellant cites various jurisprudence wherein it was held that heirs are proper representatives of the decedent, even when there is already an administrator appointed by the court.^[18] Further, she cites Article 487 of the Civil Code, which states that "any one of the co-owners may bring an action in ejectment," the latter being interpreted as "all kinds of action for the recovery of possession and ownership, including *accion reivindicacion*."^[19] Further, appellant argues that even granting her supposed lack of authority to file suit, the court *a quo* should not have dismissed the case but instead granted her omnibus motion to, among other things, reconsider the dismissal and admit her amended/supplemental pleading.^[20]

Appellee Ma. Sharon Reyes, meanwhile, in her brief,^[21] contends that the jurisprudence cited by appellant do not apply to the case at bar.^[90]

The Issues

Does appellant have the capacity to file the suit in light of the appointment of an administrator for their parents' estates? Did the trial court correctly dismiss appellant's complaint for its failure to plead collusion and implead the administrator of the parties' parents' estates?

The Court's Ruling

We grant the appeal.

The cases in jurisprudence, cited by both parties, all point to the principle that heirs have the capacity to file suit on behalf of the estate of the decedent, with only additional requirements if an administrator already had been appointed. The rule is clear, however, that any one of the heirs, suing on behalf of all other heirs, may bring an action for the protection or enforcement of the estate's rights over the decedent's property.

The oldest of these cases, ***Gochan v. Young***,^[23] cannot be clearer:

Petitioners further claim that the Estate of John Young Sr. was not properly represented. They claim that "**when the estate is under administration, suits for the recovery or protection of the property or rights of the deceased may be brought only by the administrator or executor as approved by the court.**" **The rules relative to this matter do not, however, make any such categorical and confining statement.**

Section 3 of Rule 3 of the Rules of Court, which is cited by petitioner in support of their position, reads:

"Sec. 3. *Representatives as parties.* - Where the action is allowed to be prosecuted or defended by a representative or someone acting in a fiduciary capacity, the beneficiary shall be

included in the title of the case and shall be deemed to be the real party in interest. A representative may be a trustee of an express trust, a guardian, an executor or administrator, or a party authorized by law or these Rules. An agent acting in his own name and for the benefit of an undisclosed principal may sue or be sued without joining the principal except when the contract involves things belonging to the principal.”

Section 2 of Rule 87 of the same Rules, which also deals with administrators, states:

“Sec. 2. Executor or administrator may bring or defend actions which survive. - For the recovery or protection of the property or rights of the deceased, an executor or administrator may bring or defend, in the right of the deceased, actions for causes which survive.”

The above-quoted rules, while permitting an executor or administrator to represent or to bring suits on behalf of the deceased, do not prohibit the heirs from representing the deceased. These rules are easily applicable to cases in which an administrator has already been appointed. But no rule categorically addresses the situation in which special proceedings for the settlement of an estate have already been instituted, yet no administrator has been appointed. In such instances, the heirs cannot be expected to wait for the appointment of an administrator; then wait further to see if the administrator appointed would care enough to file a suit to protect the rights and the interests of the deceased; and in the meantime do nothing while the rights and the properties of the decedent are violated or dissipated.

The Rules are to be interpreted liberally in order to promote their objective of securing a just, speedy and inexpensive disposition of every action and proceeding. They cannot be interpreted in such a way as to unnecessarily put undue hardships on litigants. **For the protection of the interests of the decedent, this Court has in previous instances recognized the heirs as proper representatives of the decedent, even when there is already an administrator appointed by the court.**^[24] When no administrator has been appointed, as in this case, there is all the more reason to recognize the heirs as the proper representatives of the deceased. Since the Rules do not specifically prohibit them from representing the deceased, and since no administrator had as yet been appointed at the time of the institution of the Complaint with the SEC, we see nothing wrong with the fact that it was the heirs of John D. Young Sr. who represented his estate in the case filed before the SEC. (Emphasis supplied.)

The above case was cited in ***San Juan v. Judge Ramon Cruz***,^[25] in turn cited by the parties, although the latter case did not involve an already appointed administrator. The other case of ***Rioferio v. Court of Appeals***,^[26] did not change this principle, but merely added some requirements before a suit by an heir on behalf of the estate is allowed. These requirements, as quoted by the court *a quo*, include:

Even if there is an appointed administrator, jurisprudence recognizes two exceptions, viz: (1) if the executor or administrator is unwilling or refuses to bring suit;^[27] and (2) when the administrator is alleged to have participated in the act complained of^[28] and he is made a party defendant.²⁹ Evidently, the necessity for the heirs to seek judicial relief to recover property of the estate is as compelling when there is no appointed administrator, if not more, as where there is an appointed administrator but he is either disinclined to bring suit or is one of the guilty parties himself.

All told, therefore, the rule that the heirs have no legal standing to sue for the recovery of property of the estate during the pendency of administration proceedings has three exceptions, the third being when there is no appointed administrator such as in this case.

The capacity of the heirs to bring suit to protect or recover estate property is due to the co-heirs' standing as co-owners of the unpartitioned estate's property.^[30] As the siblings in this case are the apparent intestate heirs of the named owners in the title to the subject property, the death intestate of such owners made the siblings de facto co-owners of the property by operation of law and thus became entitled to the rights of such co-owners. Article 1078 of the Civil Code states:

Article 1078. Where there are two or more heirs, the whole estate of the decedent is, before its partition, **owned in common by such heirs**, subject to the payment of debts of the deceased. (Emphasis supplied.)

Commentators on the country's civil law recognize the principle of granting co-heirs the status of co-owners of the estate property. Tolentino, in his Comments on the Civil Code,^[31] states:

Right to property. **From the moment of the death of the decedent, and pending the actual partition of the estate, the heirs become co-owners of such estate, each one having an undivided interest in the property to the extent of his share therein. The estate has ceased to be property of the deceased and has become property owned in common by the heirs**, subject only to the payment of the debts of the decedent. Each heir or co-owner, therefore, has a right to his own interest or share, and **he may sell such share or interest to a stranger**. (Quoting *Beltran vs. Doriano*, 32 Phil. 66; *Hernaez vs. Hernaez*, 32 Phil. 214; *Wenceslao vs. Calimon*, 46 Phil. 906; *Rivero vs. Serrano*, (C.A.) 46 Off. Gaz. 642, February 1950; *Cruz vs. Jose* (C.A.) 47 Off. Gaz. 787, February 1951; *Ibarle vs. Po*, 49 Off. Gaz. 956, March 1953.) (Emphases supplied.)

And to bring the principle under the light of the parties' situation in the case before Us, a co-heir may even bring action against another co-heir if the latter appropriates estate property as his/her own.

In *Eusebio vs. IAC*,^[32] quoting *Cabello vs. Cabello*,^[33] it was held "the **possession held by a co-heir of the undivided estate is understood to be enjoyed in the name of the rest of the heirs. An undivided estate is co-ownership by the heirs**. The ownership of the physically undivided thing pertains to more than one person, thus defined