

SECOND DIVISION

[A.M. NO. RTJ-05-1910 (FORMERLY A.M. OCA IPI NO. 03-1904-RTJ), April 15, 2005]

ALFREDO HILADO, LOPEZ SUGAR CORPORATION AND FIRST FARMERS HOLDING CORPORATION, COMPLAINANTS, VS. JUDGE AMOR A. REYES REGIONAL TRIAL COURT OF MANILA, BRANCH 21, RESPONDENT.

DECISION

CALLEJO, SR., J.:

The instant administrative matter arose when Alfredo Hilado, Lopez Sugar Corporation and First Farmers Holding Corporation filed a verified Complaint^[1] dated November 17, 2003 charging Judge Amor A. Reyes, Regional Trial Court (RTC) of Manila, Branch 21, with gross ignorance of the law, gross inefficiency, dereliction of duty, serious misconduct, partiality and violation of the Code of Judicial Conduct relative to Special Proceedings No. 00-97505 for issuance of letters of administration entitled "*Intestate Estate of Roberto S. Benedicto.*"

Complainant Alfredo Hilado is the plaintiff in Civil Case No. 95-9137 entitled "*Manuel Lacson, et al. v. Roberto Benedicto, et al.*," filed before the RTC of Bacolod City, Branch 44, while complainants Lopez Sugar Corporation and First Farmers Holding Corporation are the lead plaintiffs/intervenors in Civil Case No. 11178 pending before the RTC of Bacolod City, Branch 41. Upon the death of Roberto Benedicto in May 2000, he was substituted by his estate in the aforementioned civil cases.

Special Proceedings No. 00-97505 was raffled to the *sala* of the respondent Judge. She, thereafter, appointed Julita Campos Benedicto as the administratrix of the estate in an Order^[2] dated August 2, 2000, and letters of administration were, thereafter, issued in favor of the latter. According to the complainants, the appointed administratrix acknowledged their claims against the estate of the deceased as major liabilities thereof in an Inventory^[3] dated January 18, 2001. The complainants further alleged, thus:

5. Shortly prior to September 2001, Complainants uncovered serious lapses in the observance and enforcement by Respondent Judge of the mandatory prescriptions of the Rules governing the administration of the estate and in collation and preservation of its assets.
6. Among others, Petitioners discovered that while the Respondent Administratrix had been issued Letters of Administration as early as August 2, 2000 and had been granted by the Respondent Court, in an Order dated April 24, 2001, [a] final extended period until May 31, 2001 for the submission of "a *completed* and *updated* inventory

and *appraisal report*," what had been submitted was still an *unverified, incomplete and unappraised* inventory dated January 18, 2001. Worse, in submitting the practically worthless inventory, Respondent Administratrix declined to vouch for the accuracy of the same, ...

...

7. Likewise, it was discovered by Complainants that despite the lapse of over a year since the issuance of her letters of administration, the Administratrix had failed to render an annual account of her administration as mandatorily required by Section 8 of Rule 85.^[4]

The complainants further alleged that the respondent Judge had, likewise, approved the sale of substantial and valuable assets of the estate without serving notice to them and other persons interested, in violation of Section 7, Rule 89 of the Rules of Court. Despite this, the respondent Judge failed to issue any order directing the administratrix to comply with the rules. The records of the intestate estate proceedings furthermore revealed a deliberate design to prejudice and preclude the opportune participation of the complainants. Thus:

9.1 Under Section 2 of Rule 79, the application for letters of administration is required to state, among others, "the names, ages and residences of the heirs, **and the names and residences of the creditors, of the decedent**" "so far as known to the petitioner." However, although the Petition for Letters of Administration filed by the Administratrix acknowledged the existence of liabilities, and the List of Liabilities submitted with her inventory named the Complainants together with the Bureau of Internal Revenue as the major creditors of the estate, Administratrix **did not** name and list Complainants as creditors of the decedent in her Petition. In fact, no creditor was named at all.

9.2 Pursuant to Section 5 of the same Rule 79, letters of administration may be validly issued only after it is "first shown that notice has been given as ... required" by Section 3 of the same rule, that is to say, notice "to the known heirs **and creditors of the decedent and to any other persons believed to have an interest in the estate,**" given not only via publication but also by mail "addressed [to them] ... at their places of residence, and deposited at least twenty (20) days before the hearing" or by "personal service ... at least ten (10) days before the days of hearing ..."

Admittedly, no notice of whatever kind was served on Complainants.

9.3 Significantly, the Purchase and Sale Agreement disposing of the assets of Traders Royal Bank, which the Respondent Judge approved without notice to Complainants, **explicitly, categorically and discriminatorily excluded, from the liabilities to be assumed by the Bank of Commerce as Purchaser, Petitioners' claims in the pending Bacolod suits against TRB and the estate, claims which had previously been acknowledged in the [Administratrix's] Inventory as major liabilities of the estate.**^[5]

In light of these discoveries, the complainants, through counsel, filed a Manifestation/Motion *Ex Abudanti Cautela*^[6] dated September 24, 2001 identifying themselves as among the major creditors in the inventory prepared by the appointed administratrix, and prayed that the Branch Clerk of Court be required to furnish the petitioners, through their counsel, copies of all the processes and orders issued by the court, and to require the administratrix to serve copies of all the proceedings to their counsel. Pending the resolution of this motion, the complainants also filed urgent pleadings bringing to the attention of the respondent Judge her procedural lapses.^[7] However, the respondent Judge issued an Order^[8] dated January 2, 2002 refusing to recognize the complainants as interested parties entitled to participate and intervene in the proceedings. This compelled the complainants to file a motion for reconsideration of the said order, which was, likewise, denied by the respondent Judge.

According to the complainants, the respondent Judge failed to consider the fact that no less than the appointed administratrix recognized their claims as major liabilities of the estate. They further claimed that the respondent Judge's action only shows that there was a deliberate design to preclude their participation in the intestate proceedings. The complainants further alleged that a probate judge, such as the respondent, should know the "elementary doctrines" regarding the settlement of estates, failing which he may be held guilty of ignorance of the law. The complainants averred that it is a well settled judicial policy to favor the liberal participation of all parties having an interest, however minimal, in the proper settlement of the estate of the deceased. Hence, the respondent Judge's failure to apply and observe the elementary doctrines bearing on the settlement of estate which are presumed to be known to a probate court reflects inexcusable ignorance of the law.

Aside from praying that the appropriate disciplinary sanction to be meted on the respondent Judge, the complainants also prayed that the respondent Judge be disqualified from further trying Sp. Proc. No. 00-97505. They, likewise, prayed that the said proceedings be forwarded to the Executive Judge of the RTC of Manila for re-raffle to another *sala*.

For her part, the respondent Judge explained that prior to her Order dated January 2, 2002, the complainants, through counsel, filed a motion with a prayer that an order be issued requiring the Branch Clerk of Court to furnish them (complainants) with copies of all processes and orders, and to require the administratrix to serve them copies of all pleadings in the proceedings. In her Order dated January 2, 2002, the respondent Judge declared that under the Rules, the complainants were without personality to participate in the intestate proceedings, thus, cannot intervene therein, much less be furnished with copies of orders, pleadings and processes relative thereto. The complainants filed a motion for reconsideration, which she denied on March 12, 2002. The respondent Judge pointed out that her ruling was elevated to the Court of Appeals (CA) via a petition for *certiorari*.

On the complainants' contention that she failed in her responsibility towards the appointed administratrix of the estate, the respondent Judge explained that the latter had already filed an initial inventory less than a year after the issuance of the letters of administration and that the administratrix was still in the process of preparing the supplemental inventory. Nonetheless, the respondent Judge issued an

Order dated October 16, 2003 directing the administratrix to submit an updated inventory within thirty (30) days from receipt of the said Order. The administratrix filed a motion for extension as she had been continuously working on the preparation of the inventory of the estate and the delay was due to the difficulties of verifying the decedents' stock investments. The motion for extension filed by the administratrix was granted by the court on November 26, 2003.

The respondent Judge contended that the complaint was baseless, malicious and was intended to harass her, and was filed in retaliation for her unfavorable rulings against the complainants. She further contended that she resolved the motions filed by the complainants according to her own judgment and understanding of the law and the attendant circumstances. The respondent Judge, therefore, prayed for the dismissal of the case for lack of merit.

The complainants filed a Supplemental Complaint on February 6, 2004 contending that the respondent Judge had not yet required the administratrix of the estate to submit an inventory and annual account despite the lapse of time under the rules. They also claimed that they were again denied participation in the proceedings of the settlement of the estate, and access to the court records which are considered public. They prayed for the inhibition of the respondent Judge in trying Sp. Proc. No. 00-97505.

In the comment of the respondent Judge to the supplemental complaint, she maintained that the complainants were not considered parties-in-interest since their claims remain contingent on the outcome of the cases still pending in the RTC of Bacolod City. The respondent Judge also pointed out that the appeal of the complainants to her court order, declaring the latter as not parties-in-interest in the settlement of the estate of the decedent, was still pending consideration by the appellate court. Thus:

a) The law does not give blanket authority to any person to have access to official records and to documents and papers pertaining to official acts. As worded, only matters of public concern may a person [be] accorded access. **In the present case, complainants' interest is more of personal than of public concern.** The ruling of the Supreme Court in the case of *Valentin L. Legaspi v. Civil Service Commission* (G.R. No. 72119, May 29, 1987) is the case in point.

"But the constitutional guarantee to information on matters of public concern is not absolute. It does not open every door to any and all information. **Under the Constitution, access to official records, papers, etc., 'are subject to limitations as may be provided by law'** (Art. III, Sec. 7, second sentence). xxx in every case, the availability of access to a particular public record must be circumscribed by the nature of the information sought, i.e., (a) being of public concern or one that involves public interest, and (b) not being exempted by law from the operation of the constitutional guarantee. **The threshold question is, therefore, whether or not the information sought is of public interest or public concern.**"

b) Although complainants assert that they have the right to information based on the cases cited in the Supplemental Complaint, **it is further**

clarified by this respondent that the position taken by them is utterly different because the parties involved in the cited cases are complainants themselves while in the case at hand, they are not considered parties-in-interest, their claim being contingent as their case is still pending with the RTC, Branch 44, Bacolod; ...^[9]

The complainants filed a Second Supplemental Complaint on April 30, 2004, reiterating the charges against the respondent Judge. They also filed a motion to withdraw their previous prayer for inhibition.

In a Resolution dated August 11, 2004, the Court resolved to refer the matter to Court of Appeals Associate Justice Remedios A. Salazar-Fernando for investigation, report and recommendation.

In her Final Report and Recommendation dated November 8, 2004, the Investigating Justice found that based on the records, the respondent Judge was not remiss in her duties relative to Sp. Proc. No. 00-97505, thus:

On August 2, 2000, respondent Judge appointed Julita Campos Benedicto as administratrix of the estate of the deceased Roberto S. Benedicto [Records, Vol. I, p. 13]. Upon filing of the bond in the amount of five million (P5,000,000) pesos, [letters] of administration [were] issued in favor of the administratrix and [a] notice dated August 23, 2000 to file money claims against the decedent was ordered published.

Under Section 1, Rule 83 of the Revised Rules of Court, the administratrix should return/file with the court a true inventory and appraisal of all the real and personal estate of the deceased which came to her possession or knowledge.

On December 12, 2000, the administratrix filed a motion for extension of time to file an Inventory on the ground that she was in the process of gathering documents and data necessary for the preparation of an inventory which were made difficult because of the very personalized way the deceased had been recording his assets and conducting his business affairs.

On December 13, 2000, the motion for extension of item was granted.

On January 12, 2001, the administratrix filed another extension of fifteen (15) days from January 15, 2001 within which to file an inventory which could not be finalized due to lack of necessary data such as the probable value of some specific assets. The motion was granted by respondent Judge.

The Inventory was submitted on January 19, 2001, which placed the estate's value at P36,799,822.25. Accordingly, respondent Judge ordered the payment of additional filing fee based on the declared value of the estate [*Ibid*, p. 58].

After finding that the initial inventory had no appraisal on March 26, 2001, respondent Judge directed the administratrix to submit the