

FIRST DIVISION

[G.R. No. 209651, November 26, 2014]

**MARCELO INVESTMENT AND MANAGEMENT CORPORATION, AND
THE HEIRS OF EDWARD T. MARCELO, NAMELY, KATHERINE J.
MARCELO, ANNA MELINDA J. MARCELO REVILLA, AND JOHN
STEVEN J. MARCELO, PETITIONERS, VS. JOSE T. MARCELO, JR.,
RESPONDENT.**

DECISION

PEREZ, J.:

The vesting of succession rights on the heirs upon the death of the decedent gives occasion for the barring of sibling disaccords right at the onset of the estate proceedings which is the determination of the administrator of the decedent's estate. In such instances, the liquidation, partition and distribution of the decedent's estate is prolonged and the issue of administration becomes, contrary to its very objective, itself the hindrance to the ultimate goal of settlement of the decedent's estate. We catch a glimpse of that in this case.

Before us is a petition for review on *certiorari* under Rule 45 of the Rules of Court assailing the 24 May 2013 Decision of the Court of Appeals in CA-G.R. CV No. 95219^[1] which affirmed the Order^[2] of the Regional Trial Court (RTC), Branch 76, Quezon City appointing respondent Jose T. Marcelo, Jr. (Jose, Jr.) as the new regular administrator of the intestate estate of decedent Jose T. Marcelo, Sr.

The facts herein occurred in two stages: (1) the first litigation between two of Jose Marcelo, Sr.'s (Jose, Sr.) compulsory heirs, his sons, Edward, (ascendant of herein petitioners, heirs of Edward T. Marcelo, Katherine J. Marcelo, Anna Melinda J. Marcelo Revilla, and John Steven J. Marcelo) and respondent Jose, Jr., for the appointment of regular administrator of Jose, Sr.'s estate; and (2) after Edward was appointed regular administrator of Jose, Sr.'s estate and Edward's death in 2009, respondent Jose, Jr.'s revival of his pursuit to administer his father's, Jose, Sr.'s, estate.

These details of these stages follow:

On 24 August 1987, decedent Jose, Sr. died intestate. He was survived by his four compulsory heirs: (1) Edward, (2) George, (3) Helen and (4) respondent Jose, Jr.

Initially, petitioner Marcelo Investment and Management Corporation (MIMCO) filed a Petition for the issuance of Letters of Administration of the estate of Jose, Sr. before the RTC, Branch 76, Quezon City docketed as S.P. Proc. No. Q-88-1448. At first, Helen, along with her brother, Jose, Jr. separately opposed MIMCO's petition; the two prayed for their respective appointment as administrator. Edward opposed Helen's and Jose, Jr.'s respective petitions for issuance of Letters of Administration in

their favor and Edward himself prayed for his appointment as regular administrator. Ultimately, MIMCO, George and Edward banded together: (1) opposed Helen's and Jose, Jr.'s petitions, and (2) prayed for Edward's appointment as regular administrator of Jose, Sr.'s estate.

On 21 September 1989, pending issuance of letters of administration, the RTC appointed Helen and Jose, Jr. as special administrators.

In an Order dated 13 December 1991, the RTC appointed Edward as regular administrator of Jose, Sr.'s estate:

WHEREFORE, PREMISES CONSIDERED, this Court resolves as it hereby resolves to appoint Edward T. Marcelo as the Regular Administrator of the estate of the late Jose P. Marcelo, Sr. upon the posting of a bond amounting to THREE HUNDRED THOUSAND PESOS (P300,000.00). The aforementioned appointment shall take effect upon his oath as such and conditioned by a bond of P300,000.00 which shall insure the fidelity of the said regular administrator in the performance of his duties and obligations as such.^[3]

Taking issue with the RTC's Order and questioning Edward's appointment, Jose, Jr. filed successive opponent motions: (1) motion for reconsideration of the 13 December 1991 Order; and (2) omnibus motion alleging the RTC Acting Presiding Judge Efren N. Ambrosio's (Judge Ambrosio) unusual interest and undue haste in issuing letters of administration in favor of Edward.

In an Order dated 12 March 1992, the RTC, through Judge Ambrosio, denied Jose, Jr.'s motion for reconsideration:

WHEREFORE, prescind from the foregoing, and fortified by the balm of clear judicial conscience, the herein motion is hereby denied. The letters of administration under date of March 4, 1992 issued in favor of Edward T. Marcelo is maintained with full force and effect. The letters testamentary issued in favor of Special Administrator, Jose T. Marcelo, Jr. under date of October 2, 1989 as well as the bond posted by him are hereby ordered cancelled. Likewise, the Special Administrator, Jose T. Marcelo, Jr. is hereby ordered to forthwith deliver to the regular administrator the goods, chattels, money and estate of the deceased in his hands.^[4]

In the same vein of denial, the RTC ruled on the Omnibus Motion, thus:

After a re-examination of the evidence adduced by the parties and a consideration of the arguments raised in the aforesaid pleadings, this court arrived at a conclusion that no substantial error was committed by then Acting Presiding Judge Edren N. Ambrosio which would warrant a reversal of the questioned orders, namely, the order dated December 13, 1991 and March 12, 1992.^[5]

Adamant on his competence to better administer his father's estate, Jose, Jr. appealed Edward's appointment as regular administrator to the Court of Appeals in CA-G.R. CV No. 43674. However, the appellate court *affirmed in toto*^[6] the Orders dated 1 October 1993, 13 December 1991 and 12 March 1992 of the intestate court.

The question of who between Edward and Jose, Jr. should administer their father's estate reached us in G.R. No. 123883 (*Jose Marcelo, Jr. v. Court of Appeals and Edward Marcelo*): we did not find reversible error in the appellate court's decision in CA-G.R. CV No. 43674. We disposed of the case via a Minute Resolution dated 22 May 1996,^[7] ultimately affirming the RTC's and the appellate court's separate rulings of Edward's competence and better suited ability to act as regular administrator of Jose, Sr.'s estate.

Thereafter, Jose, Jr. persistently opposed Edward's actions as administrator and his inventory of Jose, Sr.'s estate. He filed anew serial motions which culminated in the following 23 June 2000 Order of the RTC:

After a careful study of the arguments raised by the parties in support of their respective claims, the Court finds that the motion filed by oppositor [Jose, Jr.] is not well-taken.

Anent the submission of complete list of stockholders of all the Marcelo group of companies together with the number and current par value of their respective shareholding, suffice it to say that as correctly pointed out by regular administrator [Edward], the shares of stock of the decedent will be equally distributed to the heirs that there is no necessity therefor.

Considering oppositor's insistence on the submission by regular administrator of a true and updated list as well as current market values of all real estate and personal properties of the decedent, the [c]ourt hereby directs herein oppositor [Jose, Jr.] to inform the regular administrator of such data to aid the regular administrator in the preparation of a complete and accurate inventory of the real and personal properties comprising the estate of Jose, Sr.

As regards oppositor [Jose, Jr.'s] prayer for the submission by regular administrator of a true and complete accounting of the subject corporations reckoned from the death of [Jose, Sr.] up to the present, the [c]ourt likewise sees no need therefor as said corporations are not parties to the case and have separate and distinct personalities from the stockholders.

With respect to the project of partition, it appears that regular administrator had already furnished oppositor [Jose, Jr.] with a copy thereof. Considering however oppositor [Jose, Jr.'s] oral motion for regular administrator to identify the heirs of the decedent and to secure their conformity to the project of partition, oppositor [Jose, Jr.] is given ten (10) days from receipt of the project of partition bearing the conformity of the heirs within to (*sic*) to comment thereon. Thereafter, the parties are directed to submit their project of partition for approval and consideration of the [c]ourt.^[8] (Emphasis supplied)

On 15 January 2001, Edward filed a Manifestation and Motion stating that:

1. Oppositor [Jose, Jr.] now conforms to, and has accordingly signed, the attached "Liquidation of the Inventory of the Estate of Jose P. Marcelo, Sr. as of July 26, 2000" x x x.

2. Regular Administrator [Edward] respectfully prays that the Liquidation, duly signed by all four (4) compulsory heirs, be approved as the project of partition of the Estate of Jose P. Marcelo Sr.^[9]

and moved for the approval of the Liquidation of the Inventory of the Estate of Jose, Sr. as the project of partition of the Estate of Jose, Sr.

The project of partition reads:

LIQUIDATION OF THE INVENTORY OF THE ESTATE OF JOSE P. MARCELO,
SR.

AS OF JULY 26, 2000

I. Settlement of the claims against the estate (SCH IV)

Payables

1. Marcelo Chemical & Pigment Corp.	P 1,556,002.06
2. Maria Cristina Fertilizer Corp.	797,487.00
3. Marcelo Rubber & Latex Products, Inc.	542,932.74
4. Marcelo Investment & Mgmt. Corp.	532,066.35
5. Marcelo Steel Corporation	1,108,252.19
6. H. Marcelo & Co., Inc.	2,356,684.99
TOTAL	P 6,893,425.33

Considering that the Estate as of June 3, 1999 has no sufficient cash to pay-off the above claims of P6,893,425.33, I can work out an offsetting arrangement since the Estate has also receivables from these companies as shown below:

	SCH. III-A	SCH. III-B	
	Shares of Stock	Receivables	Total
1. MCPC	P337,018.00	P 0.00	P 337,018.00
2. MCFC	300,000.00	0.00	300,000.00
3. MRLP	1,288,580.00	3,595,500.00	4,884,080.00
4. MIMCO	0.00	0.00	0.00
5. MSC	11,370.00	532,419.04	543,789.04
6. H. Marcelo	881,040.00	802,521.15	1,683,561.15
TOTAL	P2,818,008.00	P 4,930,440.19	P7,748,448.19

If the above receivables and equity with total value of P7,748,448.19 will be offset against the claims of P6,893,425.33 the net will show the

following:

	SCH. III-A & B		SCH. IV
Companies	Equity & Receivables	Claims	Net Claims (Receivables)
1. MCPC	P 337,018.00	P1,556,002.06	P1,218,984.06
2. MCFC	300,000.00	797,487.00	497,487.00
3. MRLP	4,884,080.00	542,932.74	(4,341,147.26)
4. MIMCO		532,066.35	532,066.35
5. MSC	543,789.04	1,108,252.19	564,463.15
6. H. MARCELO & CO., Inc.	1,683,561.15	2,356,684.99	673,123.84
TOTAL	P7,748,448.19	P6,893,425.33	P (855,022.86)

Based on the offsetting except for MRLP, which the Estate has net receivables of P4,341,147.26 there will be net claims or payables of P3,486,124.40 as follows:

1. MCPC	P1,218,984.06
2. MCFC	497,487.00
3. MIMCO	532,066.35
4. MSC	564,463.15
5. H. Marcelo & Co.	673,123.84
TOTAL	P3,486,124.40

It is recommended that the net from MRLP of P4,341,147.26 be deducted to the above claims as shown below:

Net Receivables from MRLP	P4,341,147.26
Net Claim	3,486,124.40
Net Receivables from MRLP	P 855,022.86

II. After the claims are settled based on the above recommendation, the Estate will have the following assets for distribution to the four (4) of us:

1. PCIB (to be updated) 3,099.81		3,099.81
2. Shares of Stocks	No. Of Shares	Amount
a. MTRC	12,874	P1,287,400.00
b. MRLP	85,502	855,022.86
c. Farmer Fertilizer Corp.	5,000	5,000.00
d. Republic Broadcasting System	18,054	18,054.00
e. Seafront Resources	6,000,000	60,000.00
f. Industrial Finance	137	1,370.00
g. Astro Mineral	500,000	5,000.00
h. Sta. Mesa Market	42,105	42,105.00
i. Atlas Consolidated Mining	122	2,562.00
j. Phil. Long Distance	180	130,050.00