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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.*

SYLLABUS

1. REMEDIAL LAW; APPEALS; WHEN A CASE IS APPEALED, THE APPELLATE COURT HAS THE POWER TO REVIEW THE CASE IN ITS ENTIRETY.— In *Heirs of Carlos Alcaraz v. Republic of the Philippines*, we reiterated the cardinal rule that when a case is appealed, the appellate court has the power to review the case in its entirety, to wit: In any event, when petitioners interposed an appeal to the Court of Appeals, the appealed case was thereby thrown wide open for review by that court, which is thus necessarily empowered to come out with a judgment as it thinks would be a just determination of the controversy. Given this power, the appellate court has the authority to either affirm, reverse or modify the appealed decision of the trial court. To withhold from the appellate court its power to render an entirely new decision would violate its power of review and would, in effect, render it incapable of correcting patent errors committed by the lower courts. Thus, we agree with respondent that the CA was free to affirm, reverse, or modify either the Decision or the Order of the RTC.

2. CIVIL LAW; OBLIGATIONS AND CONTRACTS; AGENCY; ONCE THE AUTHORITY OF THE PARTY AS ADMINISTRATOR OF THE PROPERTIES IS REVOKED, HE NO LONGER HAS THE RIGHT TO ADMINISTER THE PROPERTIES OR TO RECEIVE THE INCOME THEY GENERATE.— [W]e agree with the CA in its ruling that even though the lease agreements covering these lots should be respected, petitioner must turn over the administration of the leases to respondent's attorney-in-fact. The reason is that respondent has already revoked the authority of petitioner as

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administrator. Hence, the latter no longer has the right to administer the properties or to receive the income they generate on respondent's behalf.

3. REMEDIAL LAW; EVIDENCE; THE SUPREME COURT DOES NOT REVIEW THE FACTUAL FINDINGS OF AN APPELLATE COURT, UNLESS THESE FINDINGS ARE MISTAKEN, ABSURD, SPECULATIVE, CONJECTURAL, CONFLICTING, TAINTED WITH GRAVE ABUSE OF DISCRETION, OR CONTRARY TO THE FINDINGS CULLED BY THE TRIAL COURT OF ORIGIN.— Factual findings of the trial court are accorded high respect and are generally not disturbed by appellate courts, unless found to be clearly arbitrary or baseless. This Court does not review the factual findings of an appellate court, unless these findings are "mistaken, absurd, speculative, conjectural, conflicting, tainted with grave abuse of discretion, or contrary to the findings culled by the trial court of origin." Although the pronouncement of the trial court is not identical to that of the CA, the declaration of one corroborates the findings of the other. We rule that the findings of the lower court and the CA regarding Lots V and VI should be respected. The mother of petitioner purchased both of these lots in her capacity as respondent's attorney-in-fact, which explains why these lots were — for taxation purposes — declared in the name of respondent.

4. ID.; ID.; PRESUMPTIONS; OFFICIAL DUTY HAS BEEN REGULARLY PERFORMED; THE COURT OF APPEALS' FINDINGS OF FACT SHALL BE REVIEWED WHERE THE SAME ARE INCONSISTENT WITH THOSE OF THE TRIAL COURT AND THE EVIDENCE ON RECORD.— Petitioner correctly posits that it was wrong for the CA to base the computation of unremitted fruits and rents solely on the evidence submitted by respondent's attorney-in-fact, as this computation was obviously self-serving. Furthermore, the Certifications issued by the NFA and PCA should have been be given weight, as they are documentary evidence issued by government offices mainly responsible for determining the buying/selling price of *palay*, corn, and other food and coconut products. We shall review the findings of fact of the Court of Appeals in view of some inconsistencies with those of the trial court and the

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evidence on record. This Court is convinced that the Certifications are genuine, authentic, valid, and issued in the proper exercise and regular performance of the issuing authority's official duties. Under Section 3(m), Rule 131 of the Revised Rules of Court, there is a legal presumption that official duty has been regularly performed. No evidence was presented to rebut or dispute this presumption.

5. CIVIL LAW; OBLIGATIONS AND CONTRACTS; AGENCY; DOCTRINE OF *QUANTUM MERUIT* APPLIED ABSENT EXPRESS CONTRACT AS TO THE ADMINISTRATOR'S COMPENSATION FOR THE SERVICES RENDERED.— We have already ruled that petitioner should be compensated for the services she rendered. Since there was no exact amount agreed upon, and she failed to fix her own salary despite the authority given to her, the RTC correctly applied the doctrine of *quantum meruit*. x x x The doctrine of *quantum meruit* (as much as one deserves) prevents undue enrichment based on the equitable postulate that it is unjust for a person to retain benefit without paying for it. Being an equitable principle, it should only be applied if no express contract was entered into, and no specific statutory provision is applicable. Although petitioner was given the authority to set the amount of her salary, she failed to do so. Thus, she should at least be given what she merits for her services. We find no reason to reverse the finding of both the RTC and the CA that ₱1,000 per month for 15 years is a just, reasonable, and fair compensation to petitioner for administering respondent's properties. The lower court is ordered to add this amount to the deductibles that petitioner is able to prove or, if the deductibles exceed the monetary value of the income generated by the properties, to add this amount to whatever respondent ends up owing petitioner.

APPEARANCES OF COUNSEL

Law Firm of Dupaya & Dupaya for petitioner.
Rodrigo R. Reantaso for respondent.

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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). Petitioner 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]

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[1] *Rollo*, pp. 74-77.

[2] *Id.* at 29-39.

[3] *Id.* at 58-69; penned by Associate Justice Ricardo R. Rosario and concurred in by Associate Justices Jose C. Reyes, Jr. and Magdangal M. de Leon.

[4] *Rollo*, pp. 68-69.

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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 ₱12,560.00

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 ₱36,670.00

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 ₱96,580.00

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 ₱48,290.00

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 ₱29,730.00

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 ₱19,680.00

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 ₱42,840.00

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 ₱15,740.00[5]

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[5] *Id.* at 74-75.

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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

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[6] *Id.* at 81.

[7] *Id.* at 13-14.

[8] *Id.* at 32.

[9] *Id.* at 80.

[10] *Supra* note 6.

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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

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[11] *Id.* at 75.

[12] *Id.* at 59.

[13] *Id.* at 78-87.

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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, x x x.[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

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[14] *Id.* at 78-80.

[15] *Id.* at 83.

[16] *Id.* at 81-82.

[17] *Id.* at 83-84.

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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 ₱1,265,493.75 representing unremitted fruits and income of the subject properties, less the amount of ₱150,000.00 by way of administration expenses incurred by defendant;
>
> c) ordering the defendant to pay the plaintiff the sum of ₱50,000.00 as moral damages;
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> d) ordering the defendant to reimburse the plaintiff the sum of ₱20,000.00 as and for attorney's fees, plus the sum of ₱1,000.00 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 ₱180,000.00, representing the latter's compensation in administering the former's properties based on *quantum meruit.*
>
> SO ORDERED.[21]

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[18] *Id.* at 84.

[19] *Id.* at 91.

[20] *Id.* at 88-102, Civil Case No. T-1944, penned by Judge William B. Volante.

[21] *Id.* at 101-102.

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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 ₱20,000.00, 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 affirmed the trial court's 31 July 2007 Decision, except for the amount ordered to be remitted to respondent, which was reduced to ₱908,112.62. The MR filed by petitioner was also denied on 29 April 2010.[23]

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[22] *Id.* at 17.

[23] *Id.* at 72-73.

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Petitioner is now asking this Court to set aside the CA's Decision.[24]

In questioning the Decision of the CA, petitioner first raises a procedural issue. She argues that the appellate court should not have affirmed the RTC Decision in this case, because when the trial court abandoned its original Decision, the latter impliedly admitted that it had "committed erroneous findings of facts."[25] Respondent argues that the CA had the power to affirm the RTC's second Decision — the Resolution on the MR — because the entire case was opened for review upon appeal.

We agree with respondent.

In *Heirs of Carlos Alcaraz v. Republic of the Philippines*,[26] we reiterated the cardinal rule that when a case is appealed, the appellate court has the power to review the case in its entirety, to wit:

> In any event, when petitioners interposed an appeal to the Court of Appeals, the appealed case was thereby thrown wide open for review by that court, which is thus necessarily empowered to come out with a judgment as it thinks would be a just determination of the controversy. Given this power, the appellate court has the authority to either affirm, reverse or modify the appealed decision of the trial court. To withhold from the appellate court its power to render an entirely new decision would violate its power of review and would, in effect, render it incapable of correcting patent errors committed by the lower courts.

Thus, we agree with respondent that the CA was free to affirm, reverse, or modify either the Decision or the Order of the RTC.

Next, petitioner avers that she cannot turn over possession of Lots I to III, because these are subject of valid lease agreements.

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[24] *Id.* at 54.

[25] *Id.* at 21.

[26] 502 Phil. 521, 536 (2005).

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None of the parties question the appellate court's finding that the lease agreements covering Lots I-III should be respected. After all, when petitioner entered into these agreements, she acted within her authority as respondent's agent.[27]

In this matter, we agree with the CA in its ruling that even though the lease agreements covering these lots should be respected, petitioner must turn over the administration of the leases to respondent's attorney-in-fact.[28] The reason is that respondent has already revoked the authority of petitioner as administrator. Hence, the latter no longer has the right to administer the properties or to receive the income they generate on respondent's behalf.

With respect to the one-third portion of Lot IV, the parties also agree that the sale of one-third of this lot to petitioner's mother should be respected by respondent.[29] Lot IV has been in the latter's possession since 1997. Since it is not controverted that one-third of this lot is now owned by petitioner's mother, respondent should turn over possession of the corresponding one-third portion and remit all fruits collected therefrom since 1997.

Petitioner questions the factual findings of the appellate court. She claims that the CA erred in finding that "the reason why petitioner allegedly never rendered an accounting of income is because the respondent never demanded it."[30] According to petitioner, she never claimed that this was the reason why she never rendered an accounting of income. In fact, she insists that she actually sent letters of accounting to respondent. Supposedly, she only said that respondent never demanded accounting from her to refute the claim of respondent that such demand letter was sent to her.

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[27] *Id.* at 66.

[28] *Rollo*, p. 67.

[29] *Id.*

[30] *Id.* at 28.

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Petitioner insists, however, that Article 1891 of the Civil Code contains a few of the obligations owed by an agent to his principal, *viz*:

> Art. 1891. Every agent is bound to render an account of his transactions and to deliver to the principal whatever he may have received by virtue of the agency, even though it may not be owing to the principal.
>
> Every stipulation exempting the agent from the obligation to render an account shall be void.

It is evident that the reason behind the failure of petitioner to render an accounting to respondent is immaterial. What is important is that the former fulfill her duty to render an account of the relevant transactions she entered into as respondent's agent.

Petitioner claims that in the course of her administration of the properties, the letters she sent to respondent should be considered as a fulfillment of her obligation, as respondent's agent, to render an accounting of her administration.[31] Both the RTC and the CA found these letters insufficient. We agree. Petitioner was the administrator of respondent's properties for 18 years or from 1979 to 1997, and four letters within 18 years can hardly be considered as sufficient to keep the principal informed and updated of the condition and status of the latter's properties.

As to Lots V and VI, petitioner avers that ownership thereof was transferred to her mother through a Deed of Redemption,[32] *viz*:

> Defendant averred that her mother owned parcels 5 and 6. She Identified a Deed of Redemption purporting to have transferred the property to her mother. When the deed was executed, plaintiff was in the United States but defendant's mother notified her. She saw her mother putting 100-peso bills amounting to ₱6,500.00 in a big

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[31] *Id.* at 32.

[32] *Id.* at 96.

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brown envelope to pay for the lot. Her father Simeon Segarra who just came from the United States gave her the money.[33]

On this matter, the RTC found thus:

> As regards parcels 5 and 6, the defendant averred that they were owned by her mother Ana Segarra because she was the one who redeemed the properties. But the evidence extant in the records disclosed that the said parcels of land were declared for taxation purposes in the name of plaintiff Leticia Vasquez-Menancio. In many cases, it has been repeatedly held that although tax declarations are not conclusive evidence of ownership, nevertheless, they are good indicia of possession in the concept of an owner for no one in his right mind would be paying taxes for a property that is not under his actual or at least constructive possession. Hence, the fruits and profits of these properties shall still incur to the plaintiff.[34]

For its part, the CA held as follows:

> To prove that one of Leticia's properties now belongs to her mother, Ana Segarra, Sazon presented evidence showing that when Ana was still the administrator of Leticia's properties, she redeemed Leticia's property that was sold by Leticia's father to vendee-a-retro, Loreto San Andres-Seda. However, *the Deed of Redemption* clearly shows that Ana redeemed the property only in her capacity as attorney-in-fact of Leticia, and not in her personal capacity.[35]

Factual findings of the trial court are accorded high respect and are generally not disturbed by appellate courts, unless found to be clearly arbitrary or baseless.[36] This Court does not review the factual findings of an appellate court, unless these findings are "mistaken, absurd, speculative, conjectural, conflicting, tainted with grave abuse of discretion, or contrary to the findings culled by the trial court of origin."[37]

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[33] *Id.*

[34] *Id.* at 99.

[35] *Id.* at 61.

[36] *People v. Agunias*, 344 Phil. 467 (1997).

[37] *Ramirez v. CA*, 356 Phil. 10 (1998).

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Although the pronouncement of the trial court is not identical to that of the CA, the declaration of one corroborates the findings of the other. We rule that the findings of the lower court and the CA regarding Lots V and VI should be respected. The mother of petitioner purchased both of these lots in her capacity as respondent's attorney-in-fact, which explains why these lots were — for taxation purposes — declared in the name of respondent.

Petitioner bewails the appellate court's supposed failure to rule on her claim that respondent promised to give the former a 20% commission for the sale of respondent's properties in Las Piñas, Quiapo; and Fraternal, Sampaloc, Manila.[38] We rule that petitioner failed to prove that this agreement had been entered into. No other evidence, except for her testimony, was presented to prove that an agreement of this nature had been entered into between the parties.[39]

Finally, the crux of the present Petition is the determination of the value of all the fruits and proceeds collected from respondent's properties from 1979 to 1997 and the total sum thereof.

Petitioner does not deny that she never remitted to respondent any of the fruits or income derived from the properties. Instead, petitioner claims that (1) the properties did not produce any fruit or generate any income at all;[40] (2) any supposed income derived from the properties was not sufficient to answer for all the expenses incurred to maintain them;[41] and (3) she was never compensated for the services she rendered as the administrator of respondent's properties.

As previously mentioned, every agent is bound to deliver to the principal whatever the former may have received by virtue

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[38] *Rollo*, pp. 45-46.

[39] See *rollo*, pp. 45-47.

[40] *Supra* note 6.

[41] *Supra* note 7.

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of the agency, even though that amount may not be owed to the principal.[42]

In determining the value of the fruits, the RTC—in its original Decision—relied on the computation submitted by respondent's attorney-in-fact and ordered petitioner to remit to respondent the total sum of ₱1,265,493.75, to wit:

> At the outset, it may be stated that plaintiff's attorney-in-fact Edgar S. Segarra, being a farmer himself and a resident of the area where the subject properties are located can best testify regarding the income thereof. In preparing a computation of income of his principal, plaintiff Leticia Vasquez-Menancio, he consulted people from the agrarian sector, as well as grains buyers. He also referred to the lease contracts entered into between the former administratrix and the tenants. Based on his computation, the amount which represented the fruits of the properties being administered by the defendant but were not remitted to the plaintiff totaled ₱1,265,493.75 x x x, which amount to the mind of the Court, is not colossal but a reasonable claim, especially in this instance where the subject properties have been administered by defendant and her mother for more than (10) years.[43]

The computation is based on the alleged prevailing price of ₱8.75 per kilo for *palay* and ₱12 per kilo for copra. The trial court also ordered respondent to reimburse petitioner in the amount of ₱150,000 representing the administrative expenses the latter incurred as the agent. Furthermore, petitioner was awarded ₱180,000 as compensation for administering respondent's properties. Lastly, petitioner was ordered to pay respondent attorney's fees in the amount of ₱20,000 plus ₱1,000 for every appearance of counsel.

In the Order of the RTC reversing its Decision, it found that it should have considered the Certifications issued by the NFA and PCA with respect to the prevailing prices of *palay*, corn, and copra at the time of petitioner's administration. These

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[42] CIVIL CODE OF THE PHILIPPINES, Art. 1891.

[43] *Rollo*, p. 98.

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Certifications revealed that the prevailing prices from 1979 to 1997 were as follows: (1) from ₱1.75 to ₱8 per kilo for *palay*; (2) from ₱1 to ₱6 per kilo for corn; and (3) from ₱3.15 to ₱10.77 per kilo for copra. The RTC found that the parties failed to prove the exact quantity and quality of harvests for the period. Consequently, it ordered petitioner to "render full, accurate, and complete accounting of all the fruits and proceeds of the subject properties during the period of her administration."[44]

The CA affirmed the RTC's original Decision and ordered petitioner to pay respondent the amount of ₱1,315,533.75—even though the trial court had ordered the return of only ₱1,265,493.75—representing the total value of the fruits and rents derived from the properties from 1979 to 1997 less the ₱150,000 administrative expenses, the ₱180,000 compensation for administering the properties, and the ₱77,221.13 real estate taxes paid by petitioner from 1979 to 1997.

We disagree with the appellate court's finding with respect to the total value of fruits and rents earned by the properties from 1979 to 1997.

As found by the RTC, the following computation of the amounts owed by petitioner to respondent was submitted by the latter's attorney-in-fact, Edgar S. Segarra:

> Witness Edgar S. Segarra testified that the properties which were administered by defendant Caridad S. Sazon consisted of residential and agricultural lands. Caridad Sazon leased the residential lots to one Salome Segarra in the amount of 100 pesos a month since 1988. Another parcel of land was leased to defendant's mother Ana Segarra in exchange for one sack or 46 kilograms of *palay* for a period of 20 years. A cornland which is being tenanted by Orlando Macalinao produced ₱72,000.00. The computation was based on a 75/25 sharing plan multiplied by the price of corn at 6 pesos and again multiplied by 15 years, the number of years that the properties were being tenanted. Another riceland was tilled by the defendant's husband. This 1.56 hectares Riceland produced 1,932 kilograms of rice per year and at ₱8.75 a kilogram, for 14 years, the amount which was not

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[44] *Id.* at 125.

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remitted to the plaintiff amounted to ₱836,670.00. Another property, located at Libon, Albay, containing an area of .6720 hectare and tilled by defendant's husband produced harvest amounting to ₱121,030.00. Further, a riceland with an area of .6380 hectare being farmed by the defendant's daughter produced ₱183,720.00. Two coconut lands, located at Macabugos, Libon, Albay, produced coconuts made into copras, thus bringing in profits of about ₱705,600.00.

The foregoing amounts correspond to the years by which the properties were administered by the defendant, the number of crops they harvested, the sharing plan, and the prevailing price of the produce during the years of administration. He also asked the *comprador* (buyer of grains) about the prices and consulted employees of the department of Agrarian Reform regarding the sharing of the crops. The lease contracts affecting the properties were also considered. All these amounts were never remitted by the defendant to the owner-plaintiff.[45]

Petitioner correctly posits that it was wrong for the CA to base the computation of unremitted fruits and rents solely on the evidence submitted by respondent's attorney-in-fact, as this computation was obviously self-serving. Furthermore, the Certifications issued by the NFA and PCA should have been given weight, as they are documentary evidence issued by government offices mainly responsible for determining the buying/selling price of *palay*, corn, and other food and coconut products.

We shall review the findings of fact of the Court of Appeals in view of some inconsistencies with those of the trial court and the evidence on record.

This Court is convinced that the Certifications are genuine, authentic, valid, and issued in the proper exercise and regular performance of the issuing authority's official duties. Under Section 3(m), Rule 131 of the Revised Rules of Court, there is a legal presumption that official duty has been regularly performed. No evidence was presented to rebut or dispute this presumption.

Petitioner claims that several of the properties did not produce any fruit or generate any income at all.[46] However, the trial

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[45] *Id.* at 93-94.

[46] *Supra* note 6.

court found that not only was there evidence on record showing that the properties administered yielded agricultural produce and rents, but petitioner herself had testified that the properties increased when she served as administrator. In effect, she admitted that the properties indeed generated income.[47]

This Court is left with no other choice but to order both parties to present their evidence in support of their respective claims considering that no evidence was submitted to prove the quantity and quality of harvests for the relevant period. Neither the RTC nor the CA was able to explain or present a breakdown to show how it arrived at the supposed amount representing the total value of the fruits and rents derived from the properties.

The trial court correctly ordered petitioner to "render full, accurate, and complete accounting of all the fruits and proceeds of the subject properties during the period of her administration." However, it should have also ordered petitioner to present all her evidence regarding the alleged transportation expenses, attorney's fees, docket fees, and other fees; [48] the total amount expended for the purchase of respondent's Las Piñas property;[49] and the total amount of real property taxes paid. These claimed expenses, if and when duly proven by sufficient evidence, should be deducted from the total income earned by the properties.

Both parties should be required to present their evidence to finally resolve the following issues: (1) the total amount of the income generated by Lots I to IX during the administration of petitioner; and (2) the total amount of expenses incurred by petitioner that should be borne by respondent as the owner of the properties, or the total deductibles in petitioner's favor.

There is no doubt that petitioner is entitled to compensation for the services she rendered. Respondent does not deny that she never paid the former, since they had no agreement regarding the amount, the determination of which she left to petitioner.[50]

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[47] *Supra* note 34.

[48] *Rollo*, p. 95.

[49] TSN, 21 June 2002, pp. 34-35.

[50] *Rollo*, pp. 92-93.

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Petitioner now argues that since the expenses for the maintenance of the properties exceeded whatever income they generated, then whatever is left of the income should now belong to her as compensation.[51] She says that the "admission of the respondent admitted during cross-examination that she expected petitioner to fix her own salary out of the remaining income, if any, of the administered property" is enough reason to reverse and Decision and Resolution of the CA.[52]

The contention is not acceptable. Considering that neither of the parties was able to prove how much the properties earned, this Court cannot just agree with petitioner's claim that whatever is left of this income, after the expenses have been deducted, should be considered as her salary. To begin with, she repeatedly claimed that all the income derived from these properties was insufficient to cover even just the expenses; thus, there is no "remaining income" left to speak of.

We have already ruled that petitioner should be compensated for the services she rendered. Since there was no exact amount agreed upon, and she failed to fix her own salary despite the authority given to her, the RTC correctly applied the doctrine of *quantum meruit*. With respect to this matter, the trial court found thus:

> And where the payment is based on *quantum meruit*, the amount of recovery would only be the reasonable value of the thing or services rendered regardless of any agreement as to value. In the instant case, the amount of ₱1,000.00 per month for 15 years representing defendant's compensation for administering plaintiff's properties appears to be just, reasonable and fair.[53]

The doctrine of *quantum meruit* (as much as one deserves) prevents undue enrichment based on the equitable postulate that it is unjust for a person to retain benefit without paying for

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[51] *Id.* at 53.

[52] *Id.*

[53] *Id.* at 101.

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it.[54] Being an equitable principle, it should only be applied if no express contract was entered into, and no specific statutory provision is applicable. Although petitioner was given the authority to set the amount of her salary, she failed to do so. Thus, she should at least be given what she merits for her services. We find no reason to reverse the finding of both the RTC and the CA that ₱1,000 per month for 15 years is a just, reasonable, and fair compensation to petitioner for administering respondent's properties. The lower court is ordered to add this amount to the deductibles that petitioner is able to prove or, if the deductibles exceed the monetary value of the income generated by the properties, to add this amount to whatever respondent ends up owing petitioner.

We delete the award of moral damages and attorney's fees in the absence of proof of bad faith and malice on the part of petitioner.

WHEREFORE, in view of the foregoing, the Petition is **PARTLY GRANTED**, as follows:

(1) Petitioner Caridad S. Sazon is ordered to **TURN OVER** the possession, management, and administration of Lots I, II, III, V, and VI to respondent Leticia Vasquez-Menancio through the latter's attorney-in-fact, Edgar S. Segarra.

(2) Respondent is ordered to **TURN OVER** the possession, management, and administration of one-third of Lot IV to petitioner.

(3) The case is **REMANDED** to the Regional Trial Court of Ligao City, Albay, the court of origin, which is ordered to do the following:

    (a) **ORDER** petitioner to render full, accurate, and complete accounting of all the fruits and proceeds earned by respondent's properties during petitioner's administration thereof;

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[54] See *Soler v. Court of Appeals*, 410 Phil. 264, 273 (2001).

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(b) **ORDER** petitioner to submit a detailed list with a breakdown of all her claimed expenses, including but not limited to the following: maintenance expenses including transportation expenses, legal expenses, attorney's fees, docket fees, *etc.*; the total amount expended for the purchase of respondent's Las Piñas property;[55] and the total amount of real property taxes paid, all for the period 1979 to 1997;

(c) **ORDER** the parties to submit their evidence to prove the exact quantity and quality of the harvests or the fruits produced by the properties and all the expenses incurred in maintaining them from 1979 to 1997;

(d) **DETERMINE** the total amount earned by the properties by using as basis the declaration of the National Food Authority and the Philippine Coconut Authority with respect to the prevailing prices of *palay*, corn, and copra for the period 1979 to 1997; and

(e) **SUBTRACT** from the determined total amount the expenses proven by petitioner and the ₱180,000 serving as her compensation for administering the properties from 1979 to 1997.

COSTS against petitioner.

SO ORDERED.

Carpio (Chairperson), Villarama, Jr.,[*] *Perez,* and *Reyes, JJ.,* concur.

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[55] *Supra* note 48.

[*] Designated as Acting Member of the Second Division vice Associate Justice Arturo D. Brion per Special Order No. 1195 dated 15 February 2012.