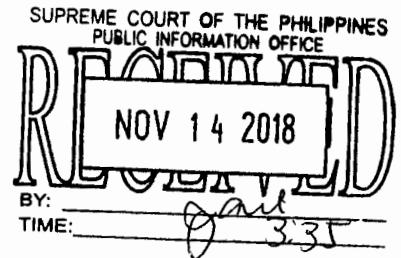




REPUBLIC OF THE PHILIPPINES  
 SUPREME COURT  
 Manila

SECOND DIVISION

NOTICE



Sirs/Mesdames:

Please take notice that the Court, Second Division, issued a Resolution dated **10 October 2018** which reads as follows:

“G.R. No. 226615 (*Emilio J. Aguinaldo IV vs. People of the Philippines*). – Before this Court is the Petition for Review on *Certiorari*<sup>1</sup> under Rule 45 of the Rules of Court, assailing the Decision<sup>2</sup> dated December 4, 2015 and the Amended Decision<sup>3</sup> dated August 25, 2016 of the Court of Appeals (CA) in CA-G.R. CR. No. 36063. The assailed decision affirmed with modification the Decision<sup>4</sup> dated June 18, 2013 of the Regional Trial Court (RTC) of Makati City, Branch 147 in Criminal Case No. 07-1545, convicting Emilio J. Aguinaldo IV (petitioner) of the crime of Estafa under Article 315 (2)(a) of the Revised Penal Code (RPC). The amended decision deleted the awards of actual damages and interests.

The Facts

The petitioner was indicted in an Information for a criminal case for Estafa under Article 315 (2)(a) of the RPC. The *Information* reads as follows:

That in or about or sometime in 2000, in the City of Makati, Philippines, a place within the jurisdiction of this Honorable Court, the above-named accused, by means of false pretenses or fraudulent acts executed prior to or simultaneously with the commission of fraud, did then and there willfully, unlawfully and feloniously defraud complainant ACROL HOLDINGS, INC. herein represented by MANUEL GACULA, in the following manner, to wit: the said accused by means of false manifestations and fraudulent representations which he made to herein complainant to the effect that he has the power, authority, and capacity by virtue of a Special Power of Attorney to sell a part of the Heirs’ estate in Tagaytay City covered and described under Transfer Certificate of Title (“TCT”) No. 15632, that on the strength of said manifestations and representations induced and succeeded in inducing the said complainant to

<sup>1</sup> Rollo, pp. 40-60.

<sup>2</sup> Penned by Associate Justice Carmelita Salandanan Manahan, with Associate Justices Japar B. Dimaampao and Franchito N. Diamante, concurring; id. at 66-79.

<sup>3</sup> Id. at 81-85.

<sup>4</sup> Rendered by Presiding Judge Ronald B. Moreno; id. at 88-93.

*10/14/18*

give and deliver, as in fact, complainant gave and delivered to said accused, the total amount of Php2,500,000.00 representing the value of the property, said accused knowing fully well that the same were false and fraudulent and were made solely to obtain as in fact, he obtained the aforesaid amount, to the damage and prejudice of said complainant in the amount of Php 2,500,000.00.

CONTRARY TO LAW.<sup>5</sup>

### Version of the Prosecution

Petitioner offered to sell a property in Tagaytay City to private complainant ACROL Holdings, Inc. (ACROL) through its Corporate Secretary, Atty. Manuel Gacula (Atty. Gacula). The parties met sometime in 2000 when the petitioner represented that he had lawful authority to deal with the subject property registered under the name of the Estate of Emilio Aguinaldo and Maria Agoncillo under Transfer Certificate of Title (TCT) No. T-15632.<sup>6</sup>

The petitioner showed several Special Powers of Attorney (SPA) allegedly executed by the heirs of the registered owners. Upon verification, Atty. Gacula was made to believe that the title given to him by the petitioner was authentic and genuine. Atty. Gacula likewise tried to verify the authenticity of the signatures of the several SPAs but was only able to verify the authenticity of the signatures in one SPA.<sup>7</sup>

A Deed of Sale with *Pacto De Retro* was thereafter executed between ACROL and the petitioner in Makati City, ACROL issued PBCOM Check No. 140167 bearing the amount of ₱1,750,000.00 as the consideration for the sale of the property. Petitioner then proceeded to encash the check. He was given six months to redeem the property but was not able to do so. Instead, petitioner asked for an extension to repurchase.<sup>8</sup>

A supplemental Agreement was executed between ACROL and the petitioner for the extension of the redemption period and an additional consideration of ₱100,000.00 was given to the petitioner by ACROL.<sup>9</sup>

Another extension was agreed upon by the parties when the petitioner failed to redeem the property on the agreed period of redemption. They executed a Second Supplemental Agreement wherein the petitioner was given an additional amount of ₱200,000.00 by ACROL. Again, the petitioner failed to redeem the property on its due date, thus, a third Supplemental Agreement was executed. On the agreed period of

<sup>5</sup> Id. at 88.

<sup>6</sup> Id. at 68.

<sup>7</sup> Id.

<sup>8</sup> Id.

<sup>9</sup> Id.

1000 1118

redemption, the petitioner again asked for an extension. A Final Supplemental Agreement was further executed.<sup>10</sup>

For the petitioner's failure to redeem, ACROL then proceeded to transfer the title of the property in its name. Meanwhile, in the process of transferring and registering the same in its name, ACROL received summons from the RTC of Tagaytay City and a Complaint entitled "*Atty. Federico Poblete, in his capacity as Administrator in behalf of the Estate of the Spouses Emilio Aguinaldo, Sr., Maria Agoncillo v. ACROL Holdings, Inc., Elena D. Jao, Antonio E. Lao, Emilio J. Aguinaldo IV and Hon. Reynaldo Aquino, in his capacity as REGISTER OF DEEDS OF TAGAYTAY*" docketed as SCA 05-2516. The Complaint essentially denied the authority of the petitioner to deal with the property. Atty. Federico Poblete (Atty. Poblete) showed a copy of the TCT No. T-15632 which is similar in all aspects with the title in the possession of ACROL.<sup>11</sup>

ACROL discovered that the title in its possession was a fake one after comparison of the two titles before the Bangko Sentral ng Pilipinas (BSP). ACROL then sent a demand for the accused to return the purchase price and or to replace the property with another parcel of land but to no avail.<sup>12</sup>

### Version of the Defense

Petitioner denied the accusations against him. He raised the argument that he did not pretend to possess the authentic title since Atty. Gacula was able to verify as authentic the title given to them. Atty. Gacula also verified the SPA given to them.

Several mediation proceedings were conducted which, however, failed because the petitioner reneged on his offer before the signing of the compromise agreement.

The RTC, on June 18, 2013, rendered a Decision<sup>13</sup> finding the petitioner guilty of the crime charged. The dispositive portion of which reads:

**WHEREFORE**, premises considered, the Court finds the [petitioner] GUILTY beyond reasonable doubt as principal of the crime of ESTAFA defined and penalized under Article 315 par. 2(a) of the [RPC] and hereby sentences said accused to suffer the indeterminate penalty of imprisonment of four (4) years and two (2) months of *prison correccional*, as minimum, to twenty years of *reclusion temporal*, as maximum.

<sup>10</sup> Id. at 68-69.

<sup>11</sup> Id. at 69.

<sup>12</sup> Id.

<sup>13</sup> Id. at 88-93.

In addition, the accused is directed to pay the amount of Two Million and Fifty Thousand Pesos (Php 2,050,000.00) to the private complainants as actual damages.

SO ORDERED.<sup>14</sup>

On appeal, the CA rendered a Decision,<sup>15</sup> affirming with modification the lower court's Decision dated June 18, 2013, the dispositive of which is as follows:

**WHEREFORE**, the appeal is **DISMISSED**. The Decision dated June 18, 2013 of the [RTC], Branch 147 Makati City in Criminal Case No. 07-1545 is **AFFIRMED with the MODIFICATION** that the amount ordered to be restituted shall earn an interest of six percent per annum from the finality of this decision until fully paid.

SO ORDERED.<sup>16</sup>

On January 18, 2016, ACROL filed a Manifestation<sup>17</sup> stating that it received an amount equivalent to the judgment award, which is Two Million and Fifty Thousand Pesos (P2,050,000.00) from the petitioner as evidenced by an Affidavit of Acknowledgement, Release and Quitclaim. Private Complainant asserted that it does not wish to pursue the case and will no longer participate in the proceedings. By reason of the said development, ACROL further manifested that it was no longer interested in pursuing the instant case and that they would no longer participate in the proceedings.

Yet again, on February 9, 2016, petitioner filed a Supplemental Motion for Reconsideration with Motion to Re-open the case or in the alternative, a Motion to Refer the case for Mediation with Leave of Court.<sup>18</sup>

The CA found no reason to grant the motion to re-open the case based on the compromise agreement. In the same vein, the Motion to Refer the case for Mediation was likewise denied. When the parties entered into a compromise agreement based on the payment by the accused to the private complainant of the judgment award in the amount of P2,050,000.00, this was only with respect to the civil aspect of the case but not the accused appellant's criminal liability. The criminal aspect of a case is not a proper subject of a compromise agreement.

However, the CA, in the Amended Decision<sup>19</sup> dated August 25, 2016, pronounced:

---

<sup>14</sup> Id. at 93.  
<sup>15</sup> Id. at 66-79.  
<sup>16</sup> Id. at 78.  
<sup>17</sup> Id. at 82.  
<sup>18</sup> Id.  
<sup>19</sup> Id. at 81-85.

WHEREFORE, the *Motion for Reconsideration* as well as the *Supplemental Motion for Reconsideration with Motion to Re-open the case or Motion to Refer the Case for Mediation* are all **DENIED** for lack of merit. However, the dispositive portion of Court's December 04, 2015 Decision is **MODIFIED** such that the awards of actual damages and interests are **DELETED**.<sup>20</sup>

### Ruling of the Court

The Court finds no reversible error and affirms the Amended Decision dated August 25, 2016 of the CA.

In the prosecution for Estafa under Article 315, paragraph 2(a) of the RPC, it is indispensable that the elements of deceit, consisting in the false statement or fraudulent representations of the accused be made prior to, or, at least simultaneously with, the delivery of the thing by the complainant, it being essential that such false statement or fraudulent representation constitutes the very cause or the only motive which induces the complainant to part with the thing. If there be no such prior or simultaneous false statement or fraudulent representation, any subsequent act of the accused, however, fraudulent and suspicious it may appear, cannot serve as basis for prosecution for that class of estafa.<sup>21</sup>

If not for the deceit employed by the petitioner of falsely pretending to possess qualification and property, ACROL would have not parted with its money.

As the CA and the RTC did, this Court finds that the prosecution duly proved all the elements of the crime of Estafa as committed by the petitioner. The petitioner misrepresented and falsely represented that he has lawful authority or power to deal with the subject property. The petitioner presented several SPAs allegedly executed by his co-heirs and pretended to possess the authentic and genuine TCT No. T-15632. Such false pretenses or fraudulent misrepresentations induced ACROL to part with its money. As a result, ACROL suffered damages because the purported sale did not materialize and the amounts of money it paid were never recovered.<sup>22</sup>

The CA correctly conformed to the argument of ACROL, that though the title of the subject property was verified with the Registry of Deeds of Tagaytay City, it merely shows that the title exists and is similar with the one on file with the Registry of Deeds but not to its authenticity and genuineness. Because when the title presented by the petitioner and the title in the possession of the court appointed administrator Atty. Poblete were brought to the BSP for comparison, the one presented by the petitioner turned out to be the fake title. Therefore, even if Atty. Gacula examined and

<sup>20</sup> Id. at 84.

<sup>21</sup> *Franco v. People*, 658 Phil. 600, 612-614 (2011).

<sup>22</sup> *Rollo*, p. 75.

10/10/18

verified the subject title as well as some of the SPAs and thought them as genuine and authentic no longer matters. The fact, therefore, remains that the petitioner made misrepresentation when he presented a bogus title and when he pretended that he had authority to deal with the subject property. The Court, thus, agrees that such misrepresentation constituted false pretense, fraudulent act or employment of fraudulent means that led ACROL to part with its money and suffered damage to the extent of ₱2,050,000.00.<sup>23</sup>

Time and again, the Court has ruled that criminal liability for estafa is not affected by a compromise or novation of contract. In *Firaza v. People*,<sup>24</sup> and *Recuerdo v. People*,<sup>25</sup> the Court has ruled that in a crime of estafa, reimbursement or belated payment to the offended party of the money swindled by the accused does not extinguish the criminal liability of the latter.

Further, in *People v. Moreno*,<sup>26</sup> and in *People v. Ladera*,<sup>27</sup> criminal liability for estafa is not affected by compromise or novation of contract, for it is a public offense which must be prosecuted and punished by the Government on its own motion even though complete reparation should have been made of the damage suffered by the offended party.

In a crime of estafa, reimbursement of or compromise as to the amount misappropriated, after the commission of the crime, affects only the civil liability of the offender, and not his criminal liability.<sup>28</sup>

A compromise or settlement entered into by the parties after the commission of the crime will not and does not extinguish petitioner's liability for estafa. Therefore, the parties entering into an agreement with the private complainant expressing its unwillingness to participate in further proceedings after it receives monetary retribution, does not remove from the State the imprimatur of imposing the proper penalty for the commission of the said offense.

It is for this reason that this Court upholds the conviction of the petitioner for the crime of Estafa under defined and penalized under Article 315, paragraph 2(a) of the Revised Penal Code.

**WHEREFORE**, premises considered, the Amended Decision dated August 25, 2016 of the Court of Appeals in CA-G.R. CR. No. 36063, finding petitioner Emilio J. Aguinaldo IV guilty beyond reasonable doubt of the crime of Estafa, defined and penalized under Article 315, paragraph 2(a) of the Revised Penal Code, is hereby **AFFIRMED**.

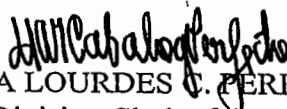
---

<sup>23</sup> Id.  
<sup>24</sup> 547 Phil. 572 (2007).  
<sup>25</sup> 526 Phil. 460 (2006).  
<sup>26</sup> 373 Phil. 336, 349 (1999).  
<sup>27</sup> 398 Phil. 588, 602 (2000).  
<sup>28</sup> Id.

170/11/18

**SO ORDERED.” (J. Reyes, Jr., J., on wellness leave.)**

Very truly yours,

  
MARIA LOURDES C. PERFECTO  
Division Clerk of Court *gll/s*

By:

13 NOV 2018

TERESITA AQUINO TUAZON  
Deputy Division Clerk of Court

DENNIS P. MANALO LAW OFFICE (reg)  
Counsel for Petitioner  
2<sup>nd</sup> Floor, S & L Building  
Dela Rosa cor. Esteban Streets  
Legaspi Village, 1229 Makati City

OFFICE OF THE SOLICITOR GENERAL (reg)  
134 Amorsolo Street  
1229 Legaspi Village  
Makati City

JUDGMENT DIVISION (x)  
Supreme Court, Manila

PUBLIC INFORMATION OFFICE (x)  
LIBRARY SERVICES (x)  
[For uploading pursuant to A.M. No. 12-7-SC]

OFFICE OF THE CHIEF ATTORNEY (x)  
OFFICE OF THE REPORTER (x)  
Supreme Court, Manila

COURT OF APPEALS (x)  
Ma. Orosa Street  
Ermita, 1000 Manila  
CA-G.R. CR No. 36063

*Please notify the Court of any change in your address.*  
GR226615. 10/10/2018 (282)URES