

### Title:

Adelaida Soriano vs. People of the Philippines: A Civil Liability Determination After Acquittal in Estafa

### Facts:

This case revolves around an accusation of estafa against Adelaida Soriano, who allegedly failed to pay Consolacion R. Alagao for 398 sacks of corn grains sold to her under false pretenses. The legal journey began when Soriano was charged under an Information dated January 30, 1995. The case proceeded from arraignment, where Soriano pleaded not guilty, through pre-trial acknowledgments of prior transactions between the parties, to a trial on the merits.

Notable pre-trial admissions included Alagao's previous borrowing of ₱10,000 from Soriano, repaid in full with corn grains, and subsequent transactions leading to Alagao indebted ₱51,730 to Soriano, contrary to an initial ₱40,000 loan agreement secured by real estate mortgage. On September 9, 1994, Alagao delivered 398 sacks of corn grains to Soriano under the premise that it would settle prior accounts, plus an additional amount for the purchase of the grains. However, only ₱3,000 was paid to Alagao, with Soriano disappearing shortly after.

The Regional Trial Court of Misamis Oriental found Soriano guilty of estafa on March 16, 1999, sentencing her to imprisonment and ordering her to pay ₱85,607 representing the value of the corn grains. However, on appeal, the Court of Appeals acquitted her due to a failure to prove deceit but affirmed her civil liability, adjusting the amount owed after accounting for partial payments and the value of corn grains deemed part of the prior loan repayment.

Soriano then petitioned the Supreme Court, arguing errors in the calculation of her civil liability and misapplication of set-off principles by the Court of Appeals.

### Issues:

1. Whether the Court of Appeals erred in computing Soriano's civil liability.
2. Whether the correct amount of Alagao's indebtedness was ₱40,000 or ₱51,730 as acknowledged during the pre-trial.
3. Whether legal compensation or set-off principles were correctly applied in determining the remaining civil liability.

### Court's Decision:

The Supreme Court partly granted Soriano's petition, acknowledging an error in the calculation of her civil liability by the Court of Appeals. The Court found all the requisites for legal compensation present and corrected the computation of Soriano's civil liability to ₱30,877 after recognizing Alagao's actual indebtedness to Soriano as ₱51,730, not the ₱40,000 initially considered by the appellate court. The Supreme Court also emphasized the inability to consider Soriano's entitled share of the harvest in the compensation process, as it was non-monetary and not liquidated.

The Supreme Court affirmed the appellate court's decision with modification, holding Soriano liable to pay Alagao ₱30,877 plus legal interest at the rate of 6% per annum from the decision's finality until fully satisfied.

### ### Doctrine:

The Supreme Court reiterated the principles and requirements of legal compensation under Article 1279 of the Civil Code, demonstrating its application in extinguishing obligations when parties are reciprocally creditors and debtors of each other.

### ### Class Notes:

- **\*\*Legal Compensation\*\***: When two parties owe each other, their debts can be offset to the extent of the lesser debt, provided all conditions under Article 1279 of the Civil Code are met.
- **\*\*Requirements for Legal Compensation\*\***: Principal obligations must be to each other; debts consist in a sum of money or consumables of the same kind and quality; debts are due, liquidated, and demandable; no retention or controversy by third parties.
- **\*\*Civil Liability after Acquittal in Criminal Cases\*\***: An acquittal in criminal proceedings based on reasonable doubt does not preclude the determination of civil liability, which can still be adjudicated based on the preponderance of evidence.

### ### Historical Background:

This case underscores the distinctive treatment of criminal and civil liabilities in Philippine jurisprudence, illustrating how an individual can be acquitted of a criminal charge yet still held civilly liable for the resulting damages. It highlights the judiciary's role in ensuring justice through the nuanced application of legal principles, such as legal compensation, even when criminal culpability is not established beyond a reasonable doubt.