

Title: Erlinda Asejo vs. People of the Philippines, G.R. No. 151085

Facts:

- Initial Borrowing Request:** On April 30, 1998, Erlinda Asejo and her husband, Eliseo Asejo, requested to borrow PhP 100,000 from Vilma Castro. The loan was intended to be shown to a bank to demonstrate financial liquidity, commonly referred to as “show money.”
- Receipt and Trust Undertaking:** On May 6, 1998, Erlinda Asejo visited Castro’s house, received the PhP 100,000, and executed a Trust Undertaking where she acknowledged receiving the amount and committed to returning it by July 18, 1998.
- Demand for Return:** When the due date arrived, Castro attempted to collect the money from the Asejos but was unsuccessful.
- Criminal Complaint:** Faced with failure, Castro filed a criminal complaint of estafa against Erlinda and Eliseo Asejo on July 6, 1999. Erlinda was arraigned and pleaded not guilty, while Eliseo remained at large.
- Prosecution’s Evidence:** At trial, Castro testified about the transaction details and presented a corroborating witness, Alberto Bato, who testified seeing Erlinda receive the money and sign the Trust Undertaking.
- Defense’s Argument:** Erlinda Asejo claimed that the PhP 100,000 was not intended as “show money” but was a down payment for a lot she was selling to Castro. Erlinda asserted that Castro pressured her to sign the Trust Undertaking in 1999 after deciding to withdraw from the sale.
- Trial Court’s Ruling:** On February 27, 2001, the Quezon City RTC found Erlinda Asejo guilty of estafa under Article 315 1(b) of the Revised Penal Code, sentencing her to four years and two months of prision correccional as minimum to nine years and six months of prision mayor as maximum, and ordering her to repay the PhP 100,000 to Castro.
- Court of Appeals (CA) Decision:** On appeal, the CA upheld the conviction but modified the penalty to an indeterminate sentence of four years and two months of prision correccional as minimum to thirteen years and one day of reclusion temporal as maximum.
- Petition to the Supreme Court (SC):** Erlinda Asejo further appealed to the SC, arguing that a formal demand for the return of the amount was necessary for a conviction of estafa

and claiming that the transaction was actually a loan, not a trust agreement.

****Issues****:

1. ****Is formal demand required to hold the petitioner liable for estafa under Article 315 1(b) of the Revised Penal Code?***
2. ****Was the amount received pursuant to a loan, making the petitioner's liability civil instead of criminal?***

****Court's Decision****:

* ****Demand Requirement****: The SC ruled that a formal or written demand is not necessary to establish liability for estafa under Article 315 1(b). The law's reference to "demand" does not specify that it needs to be formal, and hence verbal demands suffice. Evidence showed Castro demanded the return of the money and Erlinda's failure to comply evinces her guilt.

* ****Nature of Transaction****: The SC found that the PhP 100,000 was received in trust and not as a loan. The Trust Undertaking explicitly stated the amount received by Erlinda was not a loan. Consequently, Erlinda's defense that it was a down payment for the sale of a lot was rejected. Article 315 1(b) covers money trusted for specific purposes, and not returning it constitutes misappropriation.

The SC affirmed the CA's modified ruling finding Erlinda Asejo guilty of estafa, sentencing her to a maximum of thirteen years and one day of reclusion temporal, and ordering her to repay PhP 100,000 to Castro.

****Doctrine****:

- ****Demand in Estafa****: Demand under Article 315 1(b) of the Revised Penal Code need not be formal; both written and verbal forms are acceptable.
- ****Estafa with Abuse of Confidence****: Misappropriation of money received in trust, where it was intended for a specific purpose, falls under estafa, even without formal demand for its return.

****Class Notes****:

- ****Elements of Estafa (with abuse of confidence under Art. 315 1(b))****:
- Receipt of money or property in trust, commission, or for administration.

- Misappropriation, conversion, or denial of such receipt.
- Prejudice to another resulting from the misappropriation or conversion.
- Demand (formal or informal) by the owner for the return of the money or property.

- **Revised Penal Code, Article 315 1(b)**:
- **Key Principle**: Conversion of entrusted money for personal use qualifies as estafa.
- It covers scenarios where the offender is entrusted with money or property and fails to return it upon demand.

Historical Background:

- **Contexts of Financial Transactions and Estafa**: The case highlights issues common in financial dealings where money is entrusted for specific purposes. “Show money” is often a mechanism to demonstrate liquidity, and failure to return such amounts leads to legal disputes.
- **Judicial Precedent**: The ruling reinforces the doctrine that verbal demands for the return of money can suffice in estafa cases, aligning with earlier jurisprudence such as the *Tubb v. People* case.

This case serves as a cornerstone in the understanding of estafa, emphasizing the importance of intent and formal agreements in financial transactions to delineate civil and criminal liabilities.