

CEZAR T. QUIAMBAO, ANTHONY K. QUIAMBAO, AND ATTY. ERIC GENE C. PILAPIL, PETITIONERS-APPELLANTS, VS. HON. JOSEFINO A. SUBIA, IN HIS CAPACITY AS THE PRESIDING JUDGE OF METROPOLITA...

Ponente: CARANDANG, J.

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CARANDANG, J.:

The instant case is an appeal which seeks to reverse and set aside the Decision[1] dated 17 January 2013 and Order[2] dated 16 April 2013 rendered by the Regional Trial Court, Branch 138 of Makati City which dismissed petitioners-appellants' Petition for Certiorari and denied their Motion for Reconsideration, respectively, in the case entitled "Cezar T. Quiambao, et al. vs. Hon. Josefino A. Subia, et al." docketed as SCA No. 12-520.

The facts of this case, as summarized in the assailed decision, are as follows:

On 18 May 2011, the petitioners-appellants filed with the Office of the Makati City Prosecutor a Joint Complaint Affidavit (docketed as I.S. No. XV-05-INV-11E-01251) for the crime of use of falsified documents against respondent-appellee Bonifacio C. Sumbilla (respondent-appellee). The said Joint Complaint Affidavit alleged in substance that the respondent-appellee used a falsified 2010 General Information Sheet (GIS) of Stradcom Corporation (STRADCOM) and an Assistant Secretary's Certificate dated 1 December 2010 to represent his group, the Sumbilla group, to the Metropolitan Bank and Trust Company (Metrobank) as the new directors and officers of STRADCOM.

The 2010 GIS, according to the petitioners-appellants, was falsified, having falsely stated that the Sumbilla group are the true stockholders, officers and directors of STRADCOM. The 1 December 2010 Assistant Secretary's Certificate, the petitioners-appellants alleged, was similarly falsified, as it contained untruthful statements concerning, among other things, a meeting supposedly held by the corporation's Board of Directors on 1 December 2010, in which a resolution was passed designating the respondent-appellee and Aderito Yujuico as STRADCOM's duly authorized bank account signatories.

Previously, on 10 February 2011, the Land Transportation Office (LTO) filed with the Quezon City Regional Trial Court a case for interpleader (docketed as Special Civil Action No. Q-11-68723) against the Sumbilla group and the petitioners-appellants' Quiambao group, who both lay claim to being the rightful shareholders, directors and officers of the STRADCOM.

In its Complaint for interpleader, the LTO cited the existence of two conflicting versions of STRADCOM's GIS for 2010 (each group having its own version) and alleged that both groups made similar, separate demands for payment of the computer fees due STRADCOM. It further prayed that the interpleader court direct the two opposing groups to litigate with each other to determine who between them has the rightful control and management of STRADCOM, including receipt of computer fees due said entity. The LTO would later file an Amended Complaint, containing the same allegations and prayer as above.

The Quiambao group then filed a Motion to Dismiss the interpleader case, which the RTC of Quezon City denied in an Order dated 21 June 2011. The said court further directed the two contending groups to interplead with each other and file their respective answers to the LTO's Amended Complaint. Aggrieved, Quiambao group then filed with the Supreme Court a Petition for Certiorari and Prohibition (docketed as G.R. No. 197311), seeking the nullification of the Quezon City RTC's 21 June 2011 Order and the dismissal of the interpleader case.

In a 23 August 2011 Resolution in G.R. No. 197311, the Supreme Court denied Quiambao group's Petition for Certiorari and Prohibition. The High Court held that as both the Quiambao group and the Sumbilla group lay claim as valid representatives of STRADCOM, there is a need to resolve the underlying intra-corporate dispute between the two claimants. It thus ordered that the interpleader case be raffled off to any designated commercial courts in Quezon City RTC for resolution of the said underlying intra-corporate dispute.

Thereafter, the Quiambao group filed a Motion for Reconsideration of the 23 August 2011 Resolution of the Supreme Court. However, on 24 January 2012, the Supreme Court issued a Resolution denying the Motion for Reconsideration.

Meanwhile, a preliminary investigation was conducted in I.S. No. XV-05-INV-11E-01251 and, on 26 August 2011, the Office of the Makati City Prosecutor issued a Resolution finding probable cause against the respondent-appellee for two counts of use of falsified documents. The corresponding informations were filed with the Makati MeTC Branch 66, docketed as Criminal Case Nos. 367349-50, entitled *People of the Philippines v. Bonifacio C. Sumbilla*.

The respondent-appellee then filed in Criminal Case Nos. 367349-50 an Entry of Appearance and Omnibus Motion to (1) Defer Issuance of or Implementation of Warrant of Arrest; (2) Defer Arraignment; and (3) Suspend Proceedings.

RULING OF THE MeTC

On 29 November 2011, the MeTC issued an Order directing the issuance of an arrest warrant against the respondent-appellee, but suspending the subsequent proceedings of the case on the ground that the interpleader case posed a prejudicial question, in the resolution of which the respondent-appellee's guilt or innocence would be determined.³ In suspending the criminal proceedings on the ground of the existence of a prejudicial question, the MeTC ratiocinated that the resolution by the Quezon City RTC of the interpleader case as to which of the two groups has the rightful control and management of STRADCOM will determine whether or not the 2010 GIS and the 1 December 2010 Assistant Secretary's Certificate attached by the respondent-appellee to his letter to Metrobank are false. Their Motion for Reconsideration having been denied, petitioners-appellants filed a Petition for Certiorari with the public respondent alleging grave abuse of discretion of the MeTC Judge.

RULING OF THE RTC

On 17 January 2013, the RTC issued the assailed Decision affirming the Order of the MeTC. It ruled that the pendency of the interpleader case poses a prejudicial question because the resolution therein of the issue of which of the two contending groups has the rightful control and management over STRADCOM will necessarily determine the issue of who are the legitimate stockholders, directors, and officers of STRADCOM. Hence, such determination in the interpleader case will determine the guilt or innocence of respondent-appellee to the criminal cases charged against him.

The petitioners-appellants then filed their Motion for Reconsideration which the RTC denied through its assailed 16 April 2013 Order.

Hence, the instant appeal.

Petitioners-appellants raised the following errors:

THE RTC-MAKATI GRAVELY ERRED IN DISMISSING APPELLANTS' PETITION FOR CERTIORARI AND AFFIRMING THE METC-MAKATI'S ORDERS SUSPENDING CRIMINAL PROCEEDINGS AGAINST APPELLEE SUMBILLA FOR TWO SEPARATE CRIMES OF USE OF A FALSIFIED DOCUMENT CONSIDERING THAT –

I

THE PENDENCY OF THE INTERPLEADER CASE DOES NOT POSE A PREJUDICIAL QUESTION TO THE RESOLUTION OF THE PRESENT CRIMINAL CASES.

II

THE PLAINTIFF IN THE INTERPLEADER CASE HAS RECOGNIZED THE QUIAMBAO GROUP AS THE RIGHTFUL REPRESENTATIVE OF STRADCOM, HENCE, THE OSTENSIBLE BASIS FOR THE INTERPLEADER CASE HAS BECOME MOOT.

III

THE ALLEGED INTRACORPORATE CONTROVERSY UNDERLYING THE INTERPLEADER CASE HAS BEEN RESOLVED BY THE RTC-URDANETA, PANGASINAN, BRANCH 48, WHICH IS THE DESIGNATED SPECIAL COMMERCIAL COURT, AND ITS IMMEDIATELY EXECUTORY RESOLUTION HAS BEEN AFFIRMED BY THIS HONORABLE COURT AND THE SUPREME COURT.

IV

THE CRIMINAL CASES CAN PROCEED INDEPENDENTLY OF THE INTERPLEADER CASE.

V

PUBLIC INTEREST REQUIRES THAT ALL CRIMINAL ACTS BE IMMEDIATELY INVESTIGATED AND PROSECUTED FOR THE PROTECTION OF THE SOCIETY. HENCE, SUSPENSION OF CRIMINAL PROCEEDINGS SHOULD NOT BE TOLERATED.[4]

The foremost issue in this case is whether a prejudicial question exists that would warrant the suspension of the criminal actions against the respondent-appellee.

We rule in the affirmative.

There is a prejudicial question when a civil action and a criminal action are both pending, and there exists in the

civil action an issue which must be preemptively resolved before the criminal action may proceed because howsoever the issue raised in the civil action is resolved would be determinative of the guilt or innocence of the accused in the criminal case.[5] A prejudicial question is defined as:

“one that arises in a case the resolution of which is a logical antecedent of the issue involved therein, and the cognizance of which pertains to another tribunal. It is a question based on a fact distinct and separate from the crime but so intimately connected with it that it determines the guilt or innocence of the accused, and for it to suspend the criminal action, it must appear not only that said case involves facts intimately related to those upon which the criminal prosecution would be based but also that in the resolution of the issue or issues raised in the civil case, the guilt or innocence of the accused would necessarily be determined.”[6]

In the instant case, it is readily obvious that a prejudicial question exists because the resolution in the interpleader case of who between the two conflicting groups—the Quiambao group and the Sumbilla group—has the legal control over STRADCOM and who are its legitimate stockholders, directors, and officers are logical antecedents to the issue in the criminal cases of whether the documents—the 2010 GIS of STRADCOM and the Assistant Secretary's Certificate dated 1 December 2010—attached by the respondent-appellee in his letter to Metrobank were falsified. Put differently, the determination in the interpleader case as to who rightfully represents STRADCOM will determine whether the respondent-appellee is guilty or not of the “use of falsified documents” which is a crime under Art. 172 of the Revised Penal Code.

The elements of the crime of “use of falsified documents” are: (a) that the offender knew that a document was falsified by another person; (b) that the false document is embraced in Art. 171[7] or in any of subdivisions 1 or 2 of Art. 172[8]; (c) that he used such document (not in judicial proceedings); and, (d) that the use of the false document caused damage to another or at least it was used with intent to cause such damage.[9]

In this case, should the special commercial court in the interpleader case rule that the Quiambao group has the legal control and are the true stockholders, directors and officers of STRADCOM, then the second element of the “use of falsified documents” exists because the documents attached by respondent-appellee in his letter to the Metrobank contain untruthful statements regarding STRADCOM's stockholders, directors, and officers. Said ruling would also show that the Special Stockholders' Meeting on 1 December 2010 held by the Sumbilla group was bogus. On the other hand, should it rule in favor of the Sumbilla group, then the criminal cases against the respondent-appellee would crumble because the second element of the crime of “use of falsified documents” is absent. In other words, a prior ruling by the special commercial court as to who are STRADCOM's stockholders, directors, and officers is determinative of the innocence or guilt of the respondent-appellee in the criminal cases against him. Hence, both the MTC and RTC are correct in suspending the criminal proceedings against the respondent-appellee on the ground of the existence of prejudicial question.

Petitioners-appellants also argue that the interpleader case is already moot because the LTO has recognized the Quiambao group as the rightful representatives of STRADCOM as evidenced by the various Memoranda issued by the Department of Transportation and Communication directing the LTO to effect the payment of all amounts due the STRADCOM to the accounts controlled by the Quiambao group. Hence, they argue that the quandary on the part of the LTO as to whom it should give its payments of the computer fees under the Build-Own-Operate Agreement has ceased to exist.

We do not agree.

As of this writing, the interpleader case is still pending. This only goes to show that the quandary on the part of LTO as to who should receive its payments and, ultimately, as to who are the true stockholders, directors, and

officers of STRADCOM, still exists up to this time. Furthermore, nowhere in the record shows that the LTO has made any categorical statement that it is now recognizing the Quiambao group as the rightful recipient of its payments. Whether the interpleader case has become moot is for the special commercial court to rule. We cannot substitute Our judgment for that of the special commercial court.

Furthermore, this Court, through the former Sixth Division, issued a Resolution[10] on 27 September 2013 which granted the Sumbilla group's prayer for a temporary restraining order enjoining the Quiambao group and the LTO, among other respondents, from accessing or releasing any part of the escrow with the LTO to any party or purpose other than for the deposit of the same with the RTC. In granting the TRO, this Court ratiocinated:

“As alleged by petitioner, despite the Order to deposit, the Department of Transportation and Communication (“DOTC”) through Secretary Joseph Emilio Aguinaldo Abaya, allegedly acting on the approval of Executive Secretary Paquito N. Ochoa, managed to convince the LTO (through respondent Virginia Torres) to have the respondent Land Bank release Php1,000,000,000.00 of the escrowed funds to pay for Stradcom's liabilities to the Bureau of Internal Revenue, to Stradcom's banks and creditors, and for working capital and trade payables; the Land Bank, acting on the requests, particularly after two letters by respondent Torres, released the requested amount. These efforts are captured in the Memorandum and letters annexed by petitioner in the instant petition.

It is disturbing that even the standing order for the LTO to deposit the escrowed billions, still a large chunk of this reserved amount was readily and easily released, and worse, as alleged by petitioner, did not redound to the benefit of Stradcom.

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The interpleader case, therefore, is far from being moot.

Petitioners-appellants next argue that the intracorporate controversy underlying the interpleader case has been resolved by the RTC-Urdaneta Pangasinan Branch 48 in SEC Case No. U-142. They contend that having attained finality, the resolution of the RTC Urdaneta case has conclusively established that the Quiambao group has the legitimate control and management of STRADCOM and the Sumbilla group's claims are nothing more than a harassment and nuisance suit.

The argument is unmeritorious. Contrary to petitioner-appellant's argument, the RTC-Urdaneta case did not conclusively rule on the issue of who, as between the Quiambao and Sumbilla groups, are the legitimate stockholders, directors, and officers of STRADCOM. SEC Case No. U-142 was summarily dismissed by the RTC-Urdaneta for being a nuisance or harassment suit because Rodolfo Millare was not able to show that he was authorized by the SIHI which owns a majority shares of STRADCOM to file the said case. In any case, the ruling in SEC Case No. U-142 cannot overturn the 23 August 2011 and 24 January 2012 Resolutions of the Supreme Court in G.R. No. 197311 which declared that there was an underlying intracorporate controversy in the interpleader case and directed that it be resolved by a special commercial court. The 23 August 2011 Resolution is very clear:

“The Court has carefully studied the parties' submissions and find that it is clear that what the Republic through the OSG filed before the RTC is an interpleader case. However, it is likewise clear that both the Quiambao group and the Sumbilla group lay claim as valid representatives of Stradcom. Necessarily, there is a need to resolve the underlying intra-corporate dispute between the two claimants. As the branch of the RTC to which the case was raffled off is not a designated special commercial court, this Court deems it more

appropriate that the interpleader case be raffled off to any of the designated special commercial courts in Quezon City RTC for resolution of the underlying intra-corporate dispute.

Wherefore, Judge Edgar Dalmacio Santos, Presiding Judge of the Regional Trial Court of Quezon City Branch 222, is hereby DIRECTED to forward with dispatch the entire records of Civil Case No. Q-11-68723 to the Office of the Executive Judge of the Regional Trial Court of Quezon City for a re-affle to a designated Special Commercial Court.”

The 24 January 2012 Resolution which denied the Quiambao group's Motion for Reconsideration to the 23 August 2011 Resolution reads:

“Both the Quiambao group and the Sumbilla group lay claim as valid representatives of Stradcom. In fact, both groups made several demands for payment from the Land Transportation Office of one and the same obligation under the Build-Own-Operate Agreement. They both demanded that the LTO direct the Land Bank of the Philippines to remit the amounts to a designated bank account. Necessarily, there is a conflict of claims in this case. As the Republic, being the payor, is in a quandary as to which group should be recognized as having legal control over Stradcom and therefore, entitled to payment, it was but appropriate and judicious for the Republic to avail of the Interpleader as a remedy under the Rules. And as the action was a special civil action, it was but proper for the Republic to file it before the RTC of Quezon City, which had jurisdiction over the action, and to so choose said court in accordance with the rules on venue.”

A reading of the above resolutions clearly shows that up to this time, there is still no conclusive ruling on the issue as to who are STRADCOM's stockholders, directors, and officers, notwithstanding the finality of the RTC Urdaneta's Resolution in SEC Case No. U-142. If indeed the RTC Urdaneta case settled once and for all the said issue, there would be no need for the Supreme Court to issue the 23 August 2011 and 24 January 2012 Resolutions.

Petitioners-appellants also contend that the criminal cases can proceed independently of the interpleader case because respondent-appellee's defense could be determined by evidence which would not necessarily be the same as those presented before the interpleader court. Particularly, petitioners-appellants claim that the MeTC-Makati trying the criminal cases could determine the guilt or innocence of the respondent-appellee from the fact that the Sumbilla group could not have called a meeting for 1 December 2010 because the Board of Directors and officers of STRADCOM at that time were composed of the Quiambao group. They add that the Sumbilla group cannot claim to be the stockholders of STRADCOM because the corporate books were in the custody of the Quiambao group at all material times.

We do not agree. As We have ruled above, there is a prejudicial question in this case which warrants the suspension of the proceedings in the criminal cases against the respondent-appellee. The issues of whether the 1 December 2010 meeting initiated by the Sumbilla group was bogus and of whether the Sumbilla group were mere interlopers and pretenders can better be threshed out by the special commercial court in Quezon City handling the interpleader case as directed by the Supreme Court in its 23 August 2011 and 24 January 2012 Resolutions. As We have previously discussed, these issues, among others, are logical antecedents to the issue of whether the respondent-appellee attached falsified documents to his letter to the Metrobank.

Lastly, petitioners-appellants point out that public interest requires that all criminal acts be immediately investigated and prosecuted for the protection of society. Hence, they argue that the suspension of the criminal cases against the respondent-appellee which is akin to an issuance of injunction should be overruled by this Court.

Petitioners-appellants' claim cannot be countenanced. The suspension of the criminal cases by the Makati MeTC does not partake of the nature of an injunction but is justified by the existence of a prejudicial question recognized by our rules of procedure. As the interpleader case involves issues that are intimately related to those upon which

the criminal cases would be based, these issues must be pre-emptively resolved before the criminal cases can proceed.

WHEREFORE, premises considered, the instant petition is DENIED for lack of merit. The assailed Orders are hereby AFFIRMED.

SO ORDERED.

C E R T I F I C A T I O N

Pursuant to Article VIII, Section 13 of the Constitution, it is hereby certified that the conclusions in the above Decision were reached in consultation before the case was assigned to the writer of the opinion of the Court.

[*]Barza and Sorongon, JJ., concur.

[*] Vice Justice Marlene Gonzales-Sison who inhibited from the case per Raffle dated February 14, 2014

[1] Rollo, at 5-12.

[2] Id., at 18.

[3] Id., at 7.

[4] Rollo, at 39-40.

[5] Jose v. Suarez, G.R. No. 176795, 30 June 2008, 556 SCRA 773.

[6] Go v. Sandiganbayan, G.R. Nos. 150329-30, 11 September 2007, 532 SCRA 574, 577-578.

[7] Article 171. Falsification by public officer, employee or notary or ecclesiastic minister. - The penalty of prision mayor and a fine not to exceed P5,000 pesos shall be imposed upon any public officer, employee, or notary who, taking advantage of his official position, shall falsify a document by committing any of the following acts:

- Counterfeiting or imitating any handwriting, signature or rubric;

- Causing it to appear that persons have participated in any act or proceeding when they did not in fact so participate;

- Attributing to persons who have participated in an act or proceeding statements other than those in fact made by them;

- Making untruthful statements in a narration of facts;

- Altering true dates;

- Making any alteration or intercalation in a genuine document which changes its meaning;
- Issuing in an authenticated form a document purporting to be a copy of an original document when no such original exists, or including in such a copy a statement contrary to, or different from, that of the genuine original; or
- Intercalating any instrument or note relative to the issuance thereof in a protocol, registry, or official book.

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[8] Article 172. Falsification by private individual and use of falsified documents. - The penalty of prison correccional in its medium and maximum periods and a fine of not more than P5,000 pesos shall be imposed upon:

- Any private individual who shall commit any of the falsifications enumerated in the next preceding article in any public or official document or letter of exchange or any other kind of commercial document; and
- Any person who, to the damage of a third party, or with the intent to cause such damage, shall in any private document commit any of the acts of falsification enumerated in the next preceding article.

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[9] Lumancas, et al. vs. Lintas, G.R. No. 133472, December 5, 2000.

[10] Penned by Associate Justice Marlene Gonzales-Sison, current Member of this Division; A copy of the 27 September 2013 Resolution is attached to respondent-appellee's Manifestation dated 26 November 2013.

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