

EDWARD C. ONG, PETITIONER, VS. THE COURT OF APPEALS AND THE PEOPLE OF THE PHILIPPINES, RESPONDENTS.

G.R. No. 119858. April 29, 2003

Ponente: CARPIO, J.

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CARPIO, J.:

The Case

Petitioner Edward C. Ong (“petitioner”) filed this petition for review on certiorari[1] to nullify the Decision[2] dated 27 October 1994 of the Court of Appeals in CA-G.R. C.R. No. 14031, and its Resolution[3] dated 18 April 1995, denying petitioner’s motion for reconsideration. The assailed Decision affirmed in toto petitioner’s conviction[4] by the Regional Trial Court of Manila, Branch 35,[5] on two counts of estafa for violation of the Trust Receipts Law,[6] as follows:

WHEREFORE, judgment is rendered: (1) pronouncing accused EDWARD C. ONG guilty beyond reasonable doubt on two counts, as principal on both counts, of ESTAFA defined under No. 1 (b) of Article 315 of the Revised Penal Code in relation to Section 13 of Presidential Decree No. 115, and penalized under the 1st paragraph of the same Article 315, and sentenced said accused in each count to TEN (10) YEARS of prison mayor, as minimum, to TWENTY (20) YEARS of reclusion temporal, as maximum;

(2) ACQUITTING accused BENITO ONG of the crime charged against him, his guilt thereof not having been established by the People beyond reasonable doubt;

(3) Ordering accused Edward C. Ong to pay private complainant Solid Bank Corporation the aggregate sum of P2,976,576.37 as reparation for the damages said accused caused to the private complainant, plus the interest thereon at the legal rate and the penalty of 1% per month, both interest and penalty computed from July 15, 1991, until the principal obligation is fully paid;

(4) Ordering Benito Ong to pay, jointly and severally with Edward C. Ong, the private complainant the legal interest and the penalty of 1% per month due and accruing on the unpaid amount of P1,449,395.71, still owing to the private offended under the trust receipt Exhibit C, computed from July 15, 1991, until the said unpaid obligation is fully paid;

(5) Ordering accused Edward C. Ong to pay the costs of these two actions.

SO ORDERED.[7]

The Charge

Assistant City Prosecutor Dina P. Teves of the City of Manila charged petitioner and Benito Ong with two counts of estafa under separate Informations dated 11 October 1991.

In Criminal Case No. 92-101989, the Information indicts petitioner and Benito Ong of the crime of estafa committed as follows:

That on or about July 23, 1990, in the City of Manila, Philippines, the said accused, representing ARMAGRI

International Corporation, conspiring and confederating together did then and there willfully, unlawfully and feloniously defraud the SOLIDBANK Corporation represented by its Accountant, DEMETRIO LAZARO, a corporation duly organized and existing under the laws of the Philippines located at Juan Luna Street, Binondo, this City, in the following manner, to wit: the said accused received in trust from said SOLIDBANK Corporation the following, to wit:

10,000 bags of urea

valued at P2,050,000.00 specified in a Trust Receipt Agreement and covered by a Letter of Credit No. DOM GD 90-009 in favor of the Fertiphil Corporation; under the express obligation on the part of the said accused to account for said goods to Solidbank Corporation and/or remit the proceeds of the sale thereof within the period specified in the Agreement or return the goods, if unsold immediately or upon demand; but said accused, once in possession of said goods, far from complying with the aforesaid obligation failed and refused and still fails and refuses to do so despite repeated demands made upon him to that effect and with intent to defraud, willfully, unlawfully and feloniously misapplied, misappropriated and converted the same or the value thereof to his own personal use and benefit, to the damage and prejudice of the said Solidbank Corporation in the aforesaid amount of P2,050,000.00 Philippine Currency.

Contrary to law.

In Criminal Case No. 92-101990, the Information likewise charges petitioner of the crime of estafa committed as follows:

That on or about July 6, 1990, in the City of Manila, Philippines, the said accused, representing ARMAGRI International Corporation, did then and there willfully, unlawfully and feloniously defraud the SOLIDBANK Corporation represented by its Accountant, DEMETRIO LAZARO, a corporation duly organized and existing under the laws of the Philippines located at Juan Luna Street, Binondo, this City, in the following manner, to wit: the said accused received in trust from said SOLIDBANK Corporation the following goods, to wit:

125 pcs. Rear diff. assy RNZO 49"

50 pcs. Front & Rear diff assy. Isuzu Elof

85 units 1-Beam assy. Isuzu Spz

all valued at P2,532,500.00 specified in a Trust Receipt Agreement and covered by a Domestic Letter of Credit No. DOM GD 90-006 in favor of the Metropole Industrial Sales with address at P.O. Box AC 219, Quezon City; under the express obligation on the part of the said accused to account for said goods to Solidbank Corporation and/or remit the proceeds of the sale thereof within the period specified in the Agreement or return the goods, if unsold immediately or upon demand; but said accused, once in possession of said goods, far from complying with the aforesaid obligation failed and refused and still fails and refuses to do so despite repeated demands made upon him to that effect and with intent to defraud, willfully, unlawfully and feloniously misapplied, misappropriated and converted the same or the value thereof to his own personal use and benefit, to the damage and prejudice of the said Solidbank Corporation in the aforesaid amount of P2,532,500.00 Philippine Currency.

Contrary to law.

Arraignment and Plea

With the assistance of counsel, petitioner and Benito Ong both pleaded not guilty when arraigned. Thereafter, trial ensued.

Version of the Prosecution

The prosecution's evidence disclosed that on 22 June 1990, petitioner, representing ARMAGRI International Corporation[8] ("ARMAGRI"), applied for a letter of credit for P2,532,500.00 with SOLIDBANK Corporation

(“Bank”) to finance the purchase of differential assemblies from Metropole Industrial Sales. On 6 July 1990, petitioner, representing ARMAGRI, executed a trust receipt^[9] acknowledging receipt from the Bank of the goods valued at P2,532,500.00.

On 12 July 1990, petitioner and Benito Ong, representing ARMAGRI, applied for another letter of credit for P2,050,000.00 to finance the purchase of merchandise from Fertiphil Corporation. The Bank approved the application, opened the letter of credit and paid to Fertiphil Corporation the amount of P2,050,000.00. On 23 July 1990, petitioner, signing for ARMAGRI, executed another trust receipt^[10] in favor of the Bank acknowledging receipt of the merchandise.

Both trust receipts contained the same stipulations. Under the trust receipts, ARMAGRI undertook to account for the goods held in trust for the Bank, or if the goods are sold, to turn over the proceeds to the Bank. ARMAGRI also undertook the obligation to keep the proceeds in the form of money, bills or receivables as the separate property of the Bank or to return the goods upon demand by the Bank, if not sold. In addition, petitioner executed the following additional undertaking stamped on the dorsal portion of both trust receipts:

I/We jointly and severally agreed to any increase or decrease in the interest rate which may occur after July 1, 1981, when the Central Bank floated the interest rates, and to pay additionally the penalty of 1% per month until the amount/s or installment/s due and unpaid under the trust receipt on the reverse side hereof is/are fully paid.^[11]

Petitioner signed alone the foregoing additional undertaking in the Trust Receipt for P2,253,500.00, while both petitioner and Benito Ong signed the additional undertaking in the Trust Receipt for P2,050,000.00.

When the trust receipts became due and demandable, ARMAGRI failed to pay or deliver the goods to the Bank despite several demand letters.^[12] Consequently, as of 31 May 1991, the unpaid account under the first trust receipt amounted to P1,527,180.66,^[13] while the unpaid account under the second trust receipt amounted to P1,449,395.71.^[14]

Version of the Defense

After the prosecution rested its case, petitioner and Benito Ong, through counsel, manifested in open court that they were waiving their right to present evidence. The trial court then considered the case submitted for decision.^[15]

The Ruling of the Court of Appeals

Petitioner appealed his conviction to the Court of Appeals. On 27 October 1994, the Court of Appeals affirmed the trial court’s decision in toto. Petitioner filed a motion for reconsideration but the same was denied by the Court of Appeals in the Resolution dated 18 April 1995.

The Court of Appeals held that although petitioner is neither a director nor an officer of ARMAGRI, he certainly comes within the term “employees or other x x x persons therein responsible for the offense” in Section 13 of the Trust Receipts Law. The Court of Appeals explained as follows:

It is not disputed that appellant transacted with the Solid Bank on behalf of ARMAGRI. This is because the Corporation cannot by itself transact business or sign documents it being an artificial person. It has to accomplish these through its agents. A corporation has a personality distinct and separate from those acting on its behalf. In the fulfillment of its purpose, the corporation by necessity has to employ persons to act on its behalf.

Being a mere artificial person, the law (Section 13, P.D. 115) recognizes the impossibility of imposing the penalty of imprisonment on the corporation itself. For this reason, it is the officers or employees or other

persons whom the law holds responsible.[16]

The Court of Appeals ruled that what made petitioner liable was his failure to account to the entruster Bank what he undertook to perform under the trust receipts. The Court of Appeals held that ARMAGRI, which petitioner represented, could not itself negotiate the execution of the trust receipts, go to the Bank to receive, return or account for the entrusted goods. Based on the representations of petitioner, the Bank accepted the trust receipts and, consequently, expected petitioner to return or account for the goods entrusted.[17]

The Court of Appeals also ruled that the prosecution need not prove that petitioner is occupying a position in ARMAGRI in the nature of an officer or similar position to hold him the “person(s) therein responsible for the offense.” The Court of Appeals held that petitioner’s admission that his participation was merely incidental still makes him fall within the purview of the law as one of the corporation’s “employees or other officials or persons therein responsible for the offense.” Incidental or not, petitioner was then acting on behalf of ARMAGRI, carrying out the corporation’s decision when he signed the trust receipts.

The Court of Appeals further ruled that the prosecution need not prove that petitioner personally received and misappropriated the goods subject of the trust receipts. Evidence of misappropriation is not required under the Trust Receipts Law. To establish the crime of estafa, it is sufficient to show failure by the trustee to turn over the goods or the proceeds of the sale of the goods covered by a trust receipt. Moreover, the bank is not obliged to determine if the goods came into the actual possession of the trustee. Trust receipts are issued to facilitate the purchase of merchandise. To obligate the bank to examine the fact of actual possession by the trustee of the goods subject of every trust receipt will greatly impede commercial transactions.

Hence, this petition.

The Issues

Petitioner seeks to reverse his conviction by contending that the Court of Appeals erred:

- IN RULING THAT, BY THE MERE CIRCUMSTANCE THAT PETITIONER ACTED AS AGENT AND SIGNED FOR THE ENTRUSTEE CORPORATION, PETITIONER WAS NECESSARILY THE ONE RESPONSIBLE FOR THE OFFENSE; AND
- IN CONVICTING PETITIONER UNDER SPECIFICATIONS NOT ALLEGED IN THE INFORMATION.

The Ruling of the Court

The Court sustains the conviction of petitioner.

First Assigned Error: Petitioner comes within the purview of Section 13 of the Trust Receipts Law.

Petitioner contends that the Court of Appeals erred in finding him liable for the default of ARMAGRI, arguing that in signing the trust receipts, he merely acted as an agent of ARMAGRI. Petitioner asserts that nowhere in the trust receipts did he assume personal responsibility for the undertakings of ARMAGRI which was the trustee.

Petitioner’s arguments fail to persuade us.

The pivotal issue for resolution is whether petitioner comes within the purview of Section 13 of the Trust Receipts Law which provides:

- x x x. If the violation is committed by a corporation, partnership, association or other juridical entities, the penalty provided for in this Decree shall be imposed upon the directors, officers, employees or other officials or persons therein responsible for the offense, without prejudice to the civil liabilities arising from the offense.

(Emphasis supplied)

We hold that petitioner is a person responsible for violation of the Trust Receipts Law.

The relevant penal provision of the Trust Receipts Law reads:

SEC. 13. Penalty Clause. – The failure of the entrustee to turn over the proceeds of the sale of the goods, documents or instruments covered by a trust receipt to the extent of the amount owing to the entruster or as appears in the trust receipt or to return said goods, documents or instruments if they were not sold or disposed of in accordance with the terms of the trust receipt shall constitute the crime of estafa, punishable under the provisions of Article Three Hundred and Fifteen, Paragraph One (b), of Act Numbered Three Thousand Eight Hundred and Fifteen, as amended, otherwise known as the Revised Penal Code. If the violation or offense is committed by a corporation, partnership, association or other juridical entities, the penalty provided for in this Decree shall be imposed upon the directors, officers, employees or other officials or persons therein responsible for the offense, without prejudice to the civil liabilities arising from the criminal offense.

(Emphasis supplied)

The Trust Receipts Law is violated whenever the entrustee fails to: (1) turn over the proceeds of the sale of the goods, or (2) return the goods covered by the trust receipts if the goods are not sold.[18] The mere failure to account or return gives rise to the crime which is *malum prohibitum*. [19] There is no requirement to prove intent to defraud.[20]

The Trust Receipts Law recognizes the impossibility of imposing the penalty of imprisonment on a corporation. Hence, if the entrustee is a corporation, the law makes the officers or employees or other persons responsible for the offense liable to suffer the penalty of imprisonment. The reason is obvious: corporations, partnerships, associations and other juridical entities cannot be put to jail. Hence, the criminal liability falls on the human agent responsible for the violation of the Trust Receipts Law.

In the instant case, the Bank was the entruster while ARMAGRI was the entrustee. Being the entrustee, ARMAGRI was the one responsible to account for the goods or its proceeds in case of sale. However, the criminal liability for violation of the Trust Receipts Law falls on the human agent responsible for the violation. Petitioner, who admits being the agent of ARMAGRI, is the person responsible for the offense for two reasons. First, petitioner is the signatory to the trust receipts, the loan applications and the letters of credit. Second, despite being the signatory to the trust receipts and the other documents, petitioner did not explain or show why he is not responsible for the failure to turn over the proceeds of the sale or account for the goods covered by the trust receipts.

The Bank released the goods to ARMAGRI upon execution of the trust receipts and as part of the loan transactions of ARMAGRI. The Bank had a right to demand from ARMAGRI payment or at least a return of the goods. ARMAGRI failed to pay or return the goods despite repeated demands by the Bank.

It is a well-settled doctrine long before the enactment of the Trust Receipts Law, that the failure to account, upon demand, for funds or property held in trust is evidence of conversion or misappropriation.[21] Under the law, mere failure by the entrustee to account for the goods received in trust constitutes estafa. The Trust Receipts Law punishes dishonesty and abuse of confidence in the handling of money or goods to the prejudice of public order.[22] The mere failure to deliver the proceeds of the sale or the goods if not sold constitutes a criminal offense that causes prejudice not only to the creditor, but also to the public interest.[23] Evidently, the Bank suffered prejudice for neither money nor the goods were turned over to the Bank.

The Trust Receipts Law expressly makes the corporation's officers or employees or other persons therein responsible for the offense liable to suffer the penalty of imprisonment. In the instant case, petitioner signed the

two trust receipts on behalf of ARMAGRI[24] as the latter could only act through its agents. When petitioner signed the trust receipts, he acknowledged receipt of the goods covered by the trust receipts. In addition, petitioner was fully aware of the terms and conditions stated in the trust receipts, including the obligation to turn over the proceeds of the sale or return the goods to the Bank, to wit:

Received, upon the TRUST hereinafter mentioned from SOLIDBANK CORPORATION (hereafter referred to as the BANK), the following goods and merchandise, the property of said BANK specified in the bill of lading as follows: x x x and in consideration thereof, I/we hereby agree to hold said goods in Trust for the said BANK and as its property with liberty to sell the same for its account but without authority to make any other disposition whatsoever of the said goods or any part thereof (or the proceeds thereof) either by way of conditional sale, pledge, or otherwise.

In case of sale I/we agree to hand the proceeds as soon as received to the BANK to apply against the relative acceptance (as described above) and for the payment of any other indebtedness of mine/ours to SOLIDBANK CORPORATION.

x x x.

I/we agree to keep said goods, manufactured products, or proceeds thereof, whether in the form of money or bills, receivables, or accounts, separate and capable of identification as the property of the BANK.

I/we further agree to return the goods, documents, or instruments in the event of their non-sale, upon demand or within _____ days, at the option of the BANK.

x x x x x x x x. (Emphasis supplied)[25]

True, petitioner acted on behalf of ARMAGRI. However, it is a well-settled rule that the law of agency governing civil cases has no application in criminal cases. When a person participates in the commission of a crime, he cannot escape punishment on the ground that he simply acted as an agent of another party.[26] In the instant case, the Bank accepted the trust receipts signed by petitioner based on petitioner's representations. It is the fact of being the signatory to the two trust receipts, and thus a direct participant to the crime, which makes petitioner a person responsible for the offense.

Petitioner could have raised the defense that he had nothing to do with the failure to account for the proceeds or to return the goods. Petitioner could have shown that he had severed his relationship with ARMAGRI prior to the loss of the proceeds or the disappearance of the goods. Petitioner, however, waived his right to present any evidence, and thus failed to show that he is not responsible for the violation of the Trust Receipts Law.

There is no dispute that on 6 July 1990 and on 23 July 1990, petitioner signed the two trust receipts[27] on behalf of ARMAGRI. Petitioner, acting on behalf of ARMAGRI, expressly acknowledged receipt of the goods in trust for the Bank. ARMAGRI failed to comply with its undertakings under the trust receipts. On the other hand, petitioner failed to explain and communicate to the Bank what happened to the goods despite repeated demands from the Bank. As of 13 May 1991, the unpaid account under the first and second trust receipts amounted to P1,527,180.60 and P1,449,395.71, respectively.[28]

Second Assigned Error: Petitioner's conviction under the allegations in the two Informations for Estafa.

Petitioner argues that he cannot be convicted on a new set of facts not alleged in the Informations. Petitioner claims that the trial court's decision found that it was ARMAGRI that transacted with the Bank, acting through petitioner as its agent. Petitioner asserts that this contradicts the specific allegation in the Informations that it was petitioner who was constituted as the entrustee and was thus obligated to account for the goods or its proceeds if sold. Petitioner maintains that this absolves him from criminal liability.

We find no merit in petitioner's arguments.

Contrary to petitioner's assertions, the Informations explicitly allege that petitioner, representing ARMAGRI, defrauded the Bank by failing to remit the proceeds of the sale or to return the goods despite demands by the Bank, to the latter's prejudice. As an essential element of estafa with abuse of confidence, it is sufficient that the Informations specifically allege that the entrustee received the goods. The Informations expressly state that ARMAGRI, represented by petitioner, received the goods in trust for the Bank under the express obligation to remit the proceeds of the sale or to return the goods upon demand by the Bank. There is no need to allege in the Informations in what capacity petitioner participated to hold him responsible for the offense. Under the Trust Receipts Law, it is sufficient to allege and establish the failure of ARMAGRI, whom petitioner represented, to remit the proceeds or to return the goods to the Bank.

When petitioner signed the trust receipts, he claimed he was representing ARMAGRI. The corporation obviously acts only through its human agents and it is the conduct of such agents which the law must deter.[29] The existence of the corporate entity does not shield from prosecution the agent who knowingly and intentionally commits a crime at the instance of a corporation.[30]

Penalty for the crime of Estafa.

The penalty for the crime of estafa is prescribed in Article 315 of the Revised Penal Code, as follows:

1[st]. The penalty of prision correccional in its maximum period to prision mayor in its minimum period, if the amount of the fraud is over 12,000 pesos but does not exceed 22,000 pesos; and if such amount exceeds the latter sum, the penalty provided in this paragraph shall be imposed in its maximum period, adding one year for each additional 10,000 pesos; but the total penalty which may be imposed should not exceed twenty years. x x x.

In the instant case, the amount of the fraud in Criminal Case No. 92-101989 is P1,527,180.66. In Criminal Case No. 92-101990, the amount of the fraud is P1,449,395.71. Since the amounts of the fraud in each estafa exceeds P22,000.00, the penalty of prision correccional maximum to prision mayor minimum should be imposed in its maximum period as prescribed in Article 315 of the Revised Penal Code. The maximum indeterminate sentence should be taken from this maximum period which has a duration of 6 years, 8 months and 21 days to 8 years. One year is then added for each additional P10,000.00, but the total penalty should not exceed 20 years. Thus, the maximum penalty for each count of estafa in this case should be 20 years.

Under the Indeterminate Sentence Law, the minimum indeterminate sentence can be anywhere within the range of the penalty next lower in degree to the penalty prescribed by the Code for the offense. The minimum range of the penalty is determined without first considering any modifying circumstance attendant to the commission of the crime and without reference to the periods into which it may be subdivided.[31] The modifying circumstances are considered only in the imposition of the maximum term of the indeterminate sentence.[32] Since the penalty prescribed in Article 315 is prision correccional maximum to prision mayor minimum, the penalty next lower in degree would be prision correccional minimum to medium. Thus, the minimum term of the indeterminate penalty should be anywhere within 6 months and 1 day to 4 years and 2 months.[33]

Accordingly, the Court finds a need to modify in part the penalties imposed by the trial court. The minimum penalty for each count of estafa should be reduced to four (4) years and two (2) months of prision correccional.

As for the civil liability arising from the criminal offense, the question is whether as the signatory for ARMAGRI, petitioner is personally liable pursuant to the provision of Section 13 of the Trust Receipts Law.

In *Prudential Bank v. Intermediate Appellate Court*,[34] the Court discussed the imposition of civil liability for violation of the Trust Receipts Law in this wise:

It is clear that if the violation or offense is committed by a corporation, partnership, association or other juridical entities, the penalty shall be imposed upon the directors, officers, employees or other officials or persons responsible for the offense. The penalty referred to is imprisonment, the duration of which would depend on the amount of the fraud as provided for in Article 315 of the Revised Penal Code. The reason for this is obvious: corporation, partnership, association or other juridical entities cannot be put in jail. However, it is these entities which are made liable for the civil liabilities arising from the criminal offense. This is the import of the clause ‘without prejudice to the civil liabilities arising from the criminal offense’. (Emphasis supplied)

In Prudential Bank, the Court ruled that the person signing the trust receipt for the corporation is not solidarily liable with the entrustee-corporation for the civil liability arising from the criminal offense. He may, however, be personally liable if he bound himself to pay the debt of the corporation under a separate contract of surety or guaranty.

In the instant case, petitioner did not sign in his personal capacity the solidary guarantee clause^[35] found on the dorsal portion of the trust receipts. Petitioner placed his signature after the typewritten words “ARMCO INDUSTRIAL CORPORATION” found at the end of the solidary guarantee clause. Evidently, petitioner did not undertake to guaranty personally the payment of the principal and interest of ARMAGRI’s debt under the two trust receipts.

In contrast, petitioner signed the stamped additional undertaking without any indication he was signing for ARMAGRI. Petitioner merely placed his signature after the additional undertaking. Clearly, what petitioner signed in his personal capacity was the stamped additional undertaking to pay a monthly penalty of 1% of the total obligation in case of ARMAGRI’s default.

In the additional undertaking, petitioner bound himself to pay “jointly and severally” a monthly penalty of 1% in case of ARMAGRI’s default.^[36] Thus, petitioner is liable to the Bank for the stipulated monthly penalty of 1% on the outstanding amount of each trust receipt. The penalty shall be computed from 15 July 1991, when petitioner received the demand letter,^[37] until the debt is fully paid.

WHEREFORE, the assailed Decision is AFFIRMED with MODIFICATION. In Criminal Case No. 92-101989 and in Criminal Case No. 92-101990, for each count of estafa, petitioner EDWARD C. ONG is sentenced to an indeterminate penalty of imprisonment from four (4) years and two (2) months of prision correccional as MINIMUM, to twenty (20) years of reclusion temporal as MAXIMUM. Petitioner is ordered to pay SOLIDBANK CORPORATION the stipulated penalty of 1% per month on the outstanding balance of the two trust receipts to be computed from 15 July 1991 until the debt is fully paid.

SO ORDERED.

Davide, Jr., C.J. (Chairman), Vitug, Ynares-Santiago, and Azcuna, JJ., concur.

[1] Under Rule 45 of the Rules of Court.

[2] Penned by Associate Justice Antonio M. Martinez with Associate Justices Fermin A. Martin, Jr. and Conrado M. Vasquez, Jr. concurring, Rollo, pp. 19-29.

[3] Rollo, p. 31.

[4] In Criminal Case Nos. 92-101989 & 92-101990, entitled “People v. Benito Ong & Edward C. Ong.”

[5] Penned by Judge Ramon Makasiar, CA Records, pp.10-16.

- [6] Section 13 of PD No. 115, the Trust Receipts Law.
- [7] CA Records, p. 16.
- [8] Formerly ARMCO Industrial Corporation, Rollo, p. 21, CA Decision, p. 3.
- [9] Exhibit B, Records, p. 103.
- [10] Exhibit C, *ibid.*, p. 104.
- [11] Exhibits B-3 & B-4, Records, p. 103; Exhibits C-3 & C-4, Records, p. 104.
- [12] Exhibits D, H & I, *ibid.*, pp. 105 & 108-A.
- [13] Exhibit E, *ibid.*, p. 106.
- [14] Exhibit F, *ibid.*, p. 107.
- [15] Records, p. 116.
- [16] Rollo, pp. 24-25.
- [17] *Ibid.*, p. 25.
- [18] Metropolitan Bank and Trust Company v. Tonda, G.R. No. 134436, 16 August 2000, 338 SCRA 254.
- [19] People v. Nitafan, G.R. Nos. 81559-60, 6 April 1992, 207 SCRA 726.
- [20] Colinares v. Court of Appeals, G.R. No. 90828, 5 September 2000, 339 SCRA 609.
- [21] Hayco v. CA, Nos. L-55775-86, 26 August 1995, 138 SCRA 227; Dayawon v. Badilla, A.M. No. MTJ-00-1309, 6 September 2000, 339 SCRA 702.
- [22] *Supra*, see note 18.
- [23] *Supra*, see note 20.
- [24] Exhibits B-1 & C-2, Records, pp. 103 & 104.
- [25] Exhibits B & C, Records, pp. 103 & 104.
- [26] People v. Chowdury, G.R. Nos. 129577-80, 15 February 2000, 325 SCRA 572.
- [27] *Supra*, see notes 9 & 10.
- [28] *Supra*, see notes 13 & 14.
- [29] *Supra*, see note 26.
- [30] *Supra*, see note 26.
- [31] People v. Gabres, 335 Phil. 242 (1997).
- [32] *Ibid.*
- [33] People v. Bautista, 311 Phil. 227 (1995); Dela Cruz v. CA, 333 Phil. 126 (1996); People v. Ortiz-Miyake, 344 Phil. 598 (1997); People v. Saley, 353 Phil. 897 (1998).
- [34] G.R. No. 74886, 8 December 1992, 216 SCRA 257.

[35] This clause states: “In consideration of SOLIDBANK CORPORATION complying with the foregoing, we jointly and severally agree and undertake to pay on demand to SOLIDBANK CORPORATION, all sums of money which the said SOLIDBANK CORPORATION may call upon us to pay arising out of or pertaining to, and/or in any event connected with the default of and/or non-fulfillment in any respect of the undertaking of the aforesaid: x x x.”

[36] Supra, see note 11.

[37] Supra, see note 12.

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