NICOLAS UY DE BARON, PETITIONER, VS. COURT OF APPEALS,AND PEOPLE OF THE PHILIPPINES, RESPONDENTS.

G.R. No. 140719. October 26, 2001

Ponente: BELLOSILLO, J.

Read online (full-text search, related cases, audio case brief): https://batas.org/library/g-r-no-140719/

BELLOSILLO, J.:

This is a Special Civil Action for Certiorari assailing the Resolution of the Court of Appeals promulgated 10 September 1999 which ordered the reinstatement of the Government's appeal which was previously dismissed due to its failure to file the appellant's brief within the reglementary period.[1]

The case stemmed from these antecedents: In 1991 First Guaranty Life Assurance Company, Inc. (FIRST GUARANTY), hired petitioner Nicolas Uy de Baron as an insurance agent to solicit applications for life insurance and annuities. De Baron steadily rose from the ranks until he was promoted to branch manager in 1995. From 1991 to 1996 he was consistently FIRST GUARANTY's top agent and even received various awards from the latter.[2] However, in February of 1997 FIRST GUARANTY terminated their agency agreement.[3]

On 14 March 1997 FIRST GUARANTY through its Executive Vice-President Jaime M. Santiago filed a complaint against De Baron for Estafa under Art. 315, par. 1, subpar. (b), of The Revised Penal Code. FIRST GUARANTY alleged that after an investigation it discovered that on 26 September 1994 De Baron obtained a "crossed check" payment worth P376,186.38 from a policy holder, Victor Kho, for the payment of premiums on the life insurance policies of the latter and his family. The "crossed check," Metrobank Check No. 924399, was issued by Kho to be deposited in the account of FIRST GUARANTY. But through De Baron's connivance with officers of Citytrust Bank, Blue Ridge/White Plains Branch, he was able to deposit the checks in his personal account. He then issued his personal checks to FIRST GUARANTY to pay for the premiums as they fell due, to wit: Citytrust Check No. 032687 for P66,937.50 dated 4 October 1994; Check No. 055911 for P212,748.88 dated 2 November 1994; and Check No. 055912 for P96,500.00 dated 7 November 1994. Thus, it was evident that De Baron appropriated the amount of P309,248.88 for his own use and benefit for one (1) month and the amount of P66,937.50 for one (1) week, to the damage and prejudice of complainant FIRST GUARANTY before issuing his three (3) personal checks to cover the amount of the Metrobank check issued by Kho in the name of FIRST GUARANTY.[4]

Nicolas Uy de Baron countered that he did not misappropriate the P376,186.38 paid by Kho. Instead, he used the amount to pay for the premiums of the separate policies of the Kho family as they fell due. He stressed that he received P376,186.38 and paid FIRST GUARANTY the same amount through his personal checks.[5] He added that since he joined the insurance firm in 1991 it was an accepted practice for insurance agents to issue their personal checks for the payment of premiums. Hence, when policy holders issued checks for the payment of premiums, such checks were deposited in the agents' own account by special arrangements with their banks as it was the most convenient way for them to deduct their commission. And before the corresponding grace periods expired, the agents transmitted the premium payments to FIRST GUARANTY through their personal checks for which the latter issued the corresponding Vouchers and Official Receipts. As a matter of fact, it was only on 31

July 1996 when FIRST GUARANTY issued a memorandum prohibiting agents from paying the premiums by check "net of commissions" and using their personal checks. De Baron claimed that the complaint was only filed to deprive him of his lawfully earned commissions and to damage his reputation in the business community.[6]

On 23 June 1997 Assistant Prosecutor Ella M. Delovino-Fernandez of the City Prosecution Office in Makati recommended the dismissal of the case. On 29 July 1997 the recommendation was approved by City Prosecutor Feliciano Aspi.[7] On 24 August 1997 FIRST GUARANTY filed a Motion To Reopen and/or To Reinvestigate the case but on 12 September 1997, City Prosecutor Aspi denied the motion.[8]

On 29 September 1997 FIRST GUARANTY filed a petition for review before the Department of Justice. On 13 January 1998 then Secretary Teofisto Guingona Jr. issued Resolution No. 034, Series of 1998 which reversed and set aside the Resolution of the City Prosecutor and directed him to file an Information for Estafa against De Baron.[9]

On 29 January 1998 the City Prosecutor filed an Information against De Baron before the Regional Trial Court of Makati for Estafa under Art. 315, par. 1, subpar. (b), of The Revised Penal Code. It was alleged therein that as insurance agent Nicolas de Baron received a "crossed check" in the amount of P376,186.38 with the obligation to remit the same to FIRST GUARANTY. However De Baron, by abusing FIRST GUARANTY's trust and confidence, misappropriated, misapplied and converted the aforesaid amount for his own use and benefit and refused to account for the same despite repeated demands from FIRST GUARANTY to the prejudice and damage of the latter.[10]

On 24 February 1998 Nicolas de Baron filed a Motion to Quash or For Second Judicial Determination of Probable Cause.[11] While this motion was under consideration the prosecution filed an Urgent Motion to Amend Information (To Conform With the Findings of Facts as Contained in the Resolution Dated January 13, 1998 Rendered By Then Secretary of Justice Teofisto T. Guingona, Jr.).[12] In the aforesaid urgent motion the prosecution sought to amend the Information from Estafa under Art. 315 par. 1, subpar. (b), to Theft under Art. 308 of the Revised Penal Code.

On 12 May 1998 the trial court issued an Order which denied the Urgent Motion to Amend Information and dismissed the case.[13] The order of dismissal prompted the prosecution to file a Notice of Appeal and the records were forwarded to the Court of Appeals where the case was docketed as CA-G.R. CR No. 21984 entitled "People of the Philippines v. Nicolas Uy de Baron."

On 13 August 1998 the Court of Appeals issued a notice for the prosecution to file the appellant's brief within thirty (30) days which was received by the Docket Division of the Office of the Solicitor General (OSG) on 20 August 1998. The brief was therefore due on or before 19 September 1998.

On 1 December 1998 the OSG filed a Motion To Admit Appellant's Brief. According to Associate Solicitor Rex Bernardo L. Pascual, the brief was filed seventy-three (73) days late because "the appellant's brief was only received by the undersigned solicitor last October 29, 1998. The Resolution was attached to a follow-up letter on even date by the private prosecutor. Although the registry return card of the above resolution had been stamped last August 20, 1998 by the Docket Division of the Office of the Solicitor General (OSG), a verification of the official log books of the OSG reveals that said Resolution had not been officially recorded nor received by the OSG and its handling lawyer as evidenced by the attached affidavit explanation."[14]

The Court of Appeals found the explanation unsatisfactory and dismissed the appeal for failure to file the appellant's brief within the reglementary period which expired on 19 September 1998.[15] Consequently, the prosecution filed a Motion for Reconsideration and on 10 September 1999 the Court of Appeals issued the

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

assailed Resolution which stated that:

> In the interest of substantial justice, upon motion of herein appellant, the resolution of March 23, 1999 is SET ASIDE and the appeal then dismissed is REINSTATED. Accordingly, the appellant's brief is hereby admitted.
>
> SO ORDERED.[16]

Nicolas de Baron filed a Motion for Reconsideration of the 10 September 1998 Resolution but the appellate court denied it for lack of merit. Hence, this petition.

The sole issue in this case is whether the Court of Appeals abused its discretion amounting to lack or excess of jurisdiction when it reinstated the appeal despite being previously dismissed for failure of the prosecution to seasonably file the appellant's brief.

Petitioner De Baron argues that the Court of Appeals abused its discretion in granting respondent People's Motion for Reconsideration since the phrase "in the interest of substantial justice" is not reason enough to reinstate the appeal. Furthermore, respondent is estopped from imputing liability on petitioner because FIRST GUARANTY had long received without protest or objection the amount of P376,186.38 representing the premium payments of the Kho family.[17]

The issue presented herein is certainly not new. In Philippine Rabbit Bus Lines, Inc v. Galauran & Pilares Construction Co.[18] the Court held that there was no grave abuse of discretion on the part of the Court of Appeals when it reinstated the appeal which it earlier dismissed. In that case, the appellate court dismissed the appeal for appellant's failure to file the appellant's brief. It also denied appellant's subsequent Motion for Reconsideration and Motion for Leave to File and Admit Second Motion for Reconsideration. However, upon the filing of a Motion to Admit Appellant's Brief the appellate court issued a resolution which stated that:

> Acting upon appellant's `Motion to Admit Brief' filed on July 24, 1972 together with appellant's brief and appellee's `Opposition' filed on July 27, 1972, the Court RESOLVED that this Court's resolutions dated April 27, 1972, dismissing the appeal; Resolution dated June 21, 1972 denying the motion for reconsideration; Resolution dated July 25, 1972, denying appellant's `Motion for Leave to File and Admit Second Motion for Reconsideration' are all SET ASIDE and the appeal is hereby REVIVED. Appellant's brief filed on July 24, 1972 is deemed ADMITTED; and appellant is REQUIRED to forward to this Court the registry return card evidencing appellee's receipt of copies of appellant's brief within 5 days from notice hereof.

The appellee in that case then filed a petition for certiorari before this Court arguing that the Court of Appeals gravely abused its discretion when it admitted the appellant's brief. This Court held -

> The petition is devoid of merit. It does not raise any genuine jurisdictional issue. Certiorari is a remedy designed for correction of errors of jurisdiction and not errors of judgment. Its function is to keep an inferior court within its jurisdiction; only jurisdictional questions may be raised in the petition for certiorari, including matters of grave abuse of discretion which is equivalent to lack of jurisdiction x x x x
>
> In the case at bar, there was no grave abuse of discretion, amounting to lack of jurisdiction, committed by respondent Court of Appeals (1) when it set aside its resolution dated April 27, 1972 dismissing the appeal, and the resolution dated June 21, 1972, denying the motion for reconsideration; and (2) revived the appeal and admitted appellant's brief filed on July 24, 1972. It cannot be said that respondent Court of Appeals acted capriciously, arbitrarily and whimsically considering that "the rule is always in favor of liberality in construction so that the real matter in dispute may be submitted to judgment of the court. Imperfections of form and technicalities of procedure should be disregarded, unless substantial rights would otherwise be prejudiced" x x x x

As in the aforementioned case, we believe that the Court of Appeals did not abuse, much less gravely, its

discretion when it issued the questioned Resolution of 10 September 1999. Grave abuse of discretion implies such capricious and whimsical exercise of judgment as is equivalent to lack of jurisdiction, or in other words, where the power is exercised in an arbitrary manner by reason of passion or personal hostility, and it must be so patent or gross as to amount to an evasion of positive duty or to a virtual refusal to perform the duty enjoined or to act at all in contemplation of law.[19] But where the court has jurisdiction over the subject matter, the orders or decision upon all questions pertaining to the cause are orders or decisions within its jurisdiction and however erroneous they may be, they cannot be corrected by certiorari.[20]

In this case, the Court of Appeals brushed aside a technicality, more particularly, public respondent's failure to file the appellant's brief within the reglementary period, to give way to the "interest of substantial justice." In its subsequent resolution denying petitioner's Motion for Reconsideration the appellate court explained -

> As held by the Honorable Supreme Court in the case of Philippine National Bank versus the Court of Appeals (G.R. No. 108870, July 14, 1996), serving the ends of justice and preventing a grave miscarriage of justice are strong and compelling reasons to warrant the suspension of the rules. Thus, our resolution to reinstate the case in the interest of justice is reason enough to warrant the setting aside of the order of dismissal of the case. Be it noted, and to correct the erroneous manifestation of the appellee, the amount involved in this case is not a "measly P3,259.82" but P376,186.38, which is a relatively substantial amount. More, the grounds for appeal do not appear to rest on dilatory grounds and the Court has taken cognizance in the interest of justice of the favorable fact that the case had not yet been dismissed and no motion to dismiss was yet filed at the time the motion to admit appellant's brief was filed.

Evidently, no grave abuse of discretion can be attributed to the Court of Appeals as the Resolution dated 10 September 1999 as well as the Resolution denying reconsideration was not issued in a whimsical, capricious and arbitrary manner.

It is worth mentioning that while this petition was pending before this Court, petitioner submitted an "Affidavit of Desistance" executed by FIRST GUARANTY through its Executive-Vice President Jaime M. Santiago, which was subscribed and sworn to before Assistant Prosecutor Carlito B. Calpatura on 21 February 2000.[21] However, this being a petition for certiorari the Court must confine itself to the issue of whether respondent appellate court committed grave abuse of discretion amounting to lack or excess of jurisdiction.[22] Hence, it is that forum which should properly rule on the effects of the "Affidavit of Desistance" executed by the FIRST GUARANTY.

WHEREFORE, the petition is DISMISSED for lack of showing that the Court of Appeals gravely abused its discretion when it issued the questioned Resolution of 10 September 1999 reinstating the appeal of the Office of the Solicitor General. Costs against petitioner Nicolas Uy de Baron.

SO ORDERED.

Mendoza, Quisumbing, Buena, and De Leon, Jr., JJ., concur.

---

[1] Rollo, p. 46.

[2] Id., p. 7.

[3] Id., p. 10.

[4] Id., p. 52..

[5] Id., p. 13.

Turn this case into an audio lecture - facts, issues, ruling and doctrine - at batas.org

[6] Id., p. 53.

[7] Id., p. 13.

[8] Id., p. 57.

[9] Id., p. 149.

[10] Id., p. 153.

[11] Id., p. 163.

[12] Id., p. 265. The previous Information stated that:

The undersigned Prosecutor accuses Nicolas Uy de Baron of the crime of estafa under Art. 315, par. 1 (b), of the Revised Penal Code as follows:

That on or about the 26th day of September 1994 in the City of Makati, Philippines, a place within the jurisdiction of this Honorable Court, the above-named accused, received in trust from Spouses Victor and Felisa Company Inc. (sic) herein represented by Jaime M. Santiago, as premium payment for their insurance by the complainant, a crossed Metrobank check No. 924399 in the amount of P376,186.38 with the express obligation on the part of the accused to remit the said amount to complainant, but the accused, far from complying with his obligation with intent to gain, abuse of trust and confidence, did then and there willfully, unlawfully and feloniously misappropriate, misapply and convert to his own personal use and benefit the said amount and despite repeated demands, failed and refused and still fails and refuses to comply with the said obligation or to account for the same, to the damage and prejudice of First Guaranty Life Assurance Company, Inc. in the aforementioned amount of P376, 186.38.

The prosecution prayed that the aforesaid Information be amended to:

"That on or about the 26th day of September 1994 in the City of Makati, Philippines, a place within the jurisdiction of this Honorable Court, the above-named accused, being an Agent of First Guarantee Life Assurance Company, Inc., received in trust from Spouses Victor and Felisa Kho, as premium payment for their insurance by the complainant First Guarantee Life Assurance Company, Inc., herein represented by Jaime M. Santiago, a crossed Metrobank check No. 924399 in the amount of P376,186.38 with the express obligation on the part of the accused to remit the said amount to complainant not later than the next working day from receipt thereof, but the accused, far from complying with his obligation with intent to gain, abuse of trust and confidence, and without the knowledge and consent of First Guarantee Life Assurance Company, Inc., did then and there willfully, unlawfully and feloniously take, steal and carry away the proceeds of the said Metrobank check in the amount of P376,186.38 to the damage and prejudice of First Guarantee Life Assurance Company, Inc. in the aforementioned amount of P376,186.38."

[13] Id., p. 325. Order issued by Judge Escolastico U. Cruz, Jr., RTC, Makati, Branch 58 where he held:

x x x x At the outset, there is no qualm that the prosecution's present Urgent Motion to Amend the Information for Estafa to Theft is a judicial admission that the facts charged in the Information do not constitute the crime of Estafa. Hence, for all legal intents and purposes, accused's 'Motion to Quash or for Second Judicial Determination' is now submitted for resolution.

Inasmuch as all the evidence in this case are now before this Court, and the fact that the prosecution believes that it could amend the information without leave of court, the simultaneous resolution of the prosecution's 'urgent motion to amend Information' and the accused's 'motion to quash and for second judicial determination' is neither

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

unprocedural nor premature x x x x If this were so, why did not the prosecution explain why complainant never bothered to ask the accused his reasons in issuing his personal checks - with his name boldly typewritten thereon - at the very time of such issuances: October 04,1994 (Check No. 032687); November 02, 1994 (Check No. 055911) and November 07, 1994 (Check No. 055912)? Why did complainant wait for almost 3 years before it questioned the accused's issuances of said checks? Why did not the complainant demand from the accused 'a sufficient reason why (the accused) is advancing with his personal checks the insurance due from a policyholder?' x x x x In view of the absence of the essential element of 'taking of personal property,' the accused cannot be charged of Theft. Consequently, the prosecution's discussion on whether the accused intended to gain from his deposit of the subject check becomes moot and academic x x x x

WHEREFORE, in view of the foregoing, the prosecution's urgent motion to amend Information is hereby DENIED, and the instant case is perforce DISMISSED.

The personal bail bond of the accused is hereby cancelled.

SO ORDERED.

[14] Id., p. 329.

[15] Id., p. 337. Resolution penned by Associate Justice Bernardo P. Abesamis in CA-G.R. No. 21984, 23 March 1999.

[16] Rollo, p. 46.

[17] Id., pp. 24-25.

[18] No. L-35630, 25 November 1982, 118 SCRA 665.

[19] Singa Ship Management Phils., Inc. v. NLRC, G.R. No. 119080, 14 April 1998, 288 SCRA 692; Planters Products, Inc. v. CA, G.R. No. 76591, 6 February 1991, 193 SCRA 563.

[20] Ibid.

[21] Rollo, pp. 401-402.

[22] See Note 19.

Study hands-free: podcast-style lessons with read-along highlighting - batas.org

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at https://batas.org

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.