

DIONISIO IGNACIO, LYDIA ARCIAGA AND EUGENIA DELA CRUZ, PETITIONERS, VS. PEOPLE OF THE PHILIPPINES, RESPONDENT.

G.R. No. 182259. October 12, 2009

Ponente: ABAD, J.

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ABAD, J.:

The Case

Petitioners[1] seek by this petition for review[2] to set aside the Decision[3] of the Court of Appeals in CA-G.R. CR 30235 dated March 18, 2008, which affirmed the Decision[4] of the Regional Trial Court of Makati City[5] in Criminal Case 98-1648 dated January 25, 2006 that found them guilty of estafa through falsification of a public document.

The Facts

Before his wife Damasa Navaro died, Lorenzo dela Cruz had four children with her, namely, Alejandro,[6] Segunda, Victoria, and Eugenia.[7] On May 30, 1929, after Damasa passed away, Lorenzo married Brigida Argana. They had two children, Melchor and Gertrudez.[8] Lorenzo died intestate on June 4, 1935, leaving an unsettled estate that included a 94,802-sq m land in Las Piñas City.

Apparently, Ayala Land, Inc. (Ayala Land) had a conflicting title on this land and on a number of others in the area. The individual claimants to this area, including Lorenzo's heirs, joined up and filed a suit against that company before the Regional Trial Court of Las Piñas in Civil Case 93-3094.[9] Lorenzo's heirs who joined the suit were petitioners Dionisio Ignacio (a son of Victoria), Alejandro dela Cruz, Lydia Arciaga (a daughter of Segunda), and Eugenia dela Cruz. Brigida's children, Melchor and Gertrudez, joined, too. While Brigida stood as co-plaintiff in the case, she did so as an heir of her father Leon Argana, with respect to a separate parcel of land that belonged to the latter.

Atty. Hicoblino M. Catly, who represented the plaintiffs in the case, succeeded in negotiating a settlement with Ayala Land. They embodied this settlement in a Memorandum of Agreement[10] that the parties later modified through an Amendatory Agreement.[11] Eventually, they filed a joint motion[12] for judgment based on a compromise in which plaintiffs waived and renounced all their claims to the lands in dispute in favor of Ayala Land. They did so in exchange for specific amounts that it paid each of them.

The witnesses from the opposite sides: Brigida and Atty. Catly for the prosecution, and petitioners Ignacio, Arciaga, and Eugenia dela Cruz for the defense, substantially agreed that on May 13, 1997 they went as instructed to the Makati offices of Ayala Land to sign the documents of settlement, particularly the Memorandum of Agreement between the parties and their joint motion for judgment based on a compromise. Brigida and petitioners Ignacio, Arciaga, and Eugenia dela Cruz uniformly testified that they were unable to properly read and understand the documents they signed. They were just told to sign or thumbmark the papers and they would then be paid. Nor were they able to consult Atty. Catly before signing the same.

Atty. Catly testified that he noticed several irregularities in the documents, particularly the non-inclusion of his attorney's fees and the addition of certain persons in the documents who were not parties to the case. The lawyers of Ayala Land prepared the documents without Atty. Catly's intervention. Nonetheless, he signed the papers because his clients had already done so.

Although Brigida's name appeared in both the memorandum of agreement and the joint motion, the documents referred to her as an heir of Leon Argana. Nowhere did it appear that she was also one of Lorenzo's heirs.

Under the memorandum of agreement, Lorenzo's individual heirs got the following amounts from Ayala Land:

1. Dionisio Ignacio P 9,086,345.98
2. Alejandro dela Cruz P 5,332,562.30
3. Lydia Arciaga P 5,332,562.30
4. Eugenia dela Cruz P 5,332,562.30
5. Melchor dela Cruz P 1,185,000.25
6. Gertrudez dela Cruz P 1,185,000.25

As it happened, Ayala Land paid Brigida only P500,000.00 which represented her share as an heir of Leon Argana.

Petitioner Ignacio admitted that, speaking for Lorenzo's heirs, it was he who gave the names of Lorenzo's six heirs to Atty. Catly.[13]

On January 25, 2006 the trial court rendered judgment finding petitioners Dionisio Ignacio, Alejandro dela Cruz, Lydia Arciaga, and Eugenia dela Cruz guilty of the crime charged for failing, in conspiracy with one another, to disclose to those who prepared the settlement documents that Brigida was one of Lorenzo's heirs, too, in fact his surviving wife, thereby depriving her of her just share in his estate. The court sentenced each of the petitioners, applying the Indeterminate Sentence Law, to suffer the penalty of 11 years and 1 month of prision mayor as minimum to 20 years of reclusion temporal as maximum. It also ordered them to pay Brigida P3,922,004.76 in actual damages.

On appeal, the Court of Appeals fully affirmed the trial court's decision, hence, this petition.

The Issue

The core issue in this case is whether or not, in signing the joint motion for judgment based on a compromise, which motion failed to state the fact that Brigida was one of Lorenzo's heirs, and in their thereby profiting from such compromise, petitioners are guilty of estafa through falsification of public documents.

Discussion

In its comment,[14] the Office of the Solicitor General assails the petition for raising questions of fact that are not proper for a petition for review under Rule 45. But a question is factual when the contending parties cannot agree that a thing exists or has actually happened. On the other hand, a question is legal when the contending parties assume that a thing exists or has actually happened but disagree on its legal significance or effect on their rights.

Here, no genuine questions of fact are involved since the factual versions of the opposing parties are essentially not in conflict. Indeed, they tend to lend credence to each other's claims. Actually, what petitioners gripe about are the legal implications that the trial court and the Court of Appeals drew from those facts. These are questions of law that are proper subject of a petition for review under Rule 45.

The information in this case alleges that the four accused heirs of Lorenzo by Damasa, the petitioners in this case, defrauded their deceased father's second wife, Brigida, "by deliberately omitting to disclose the truth" in the joint

motion for judgment based on a compromise submitted to the court for approval that she was Lorenzo's surviving wife and by making her place her thumbmark on the document with that fatal omission, resulting in her being deprived of her just share of P3,922,004.76 from Ayala Land.

The Court of Appeals held that petitioners, as Brigida's relatives by affinity, not only took advantage of her ignorance and lack of education but also betrayed the trust that she reposed on them when they made her affix her thumbmark on the defective joint motion. But nowhere in the records does it appear that petitioners took part in negotiating the settlement or were conscious of the fact that the final settlement papers deprived Brigida of her rightful share in Lorenzo's estate. In fact, although Brigida testified that she thought the documents covered only the lot belonging to her father, Leon Argana, she did not say that it was the petitioners who made her adopt such assumption.

Parenthetically, the instruction for Brigida to go to the offices of Ayala Land to sign the settlement documents came from her nephew, a certain Bernardino Argana. And she did not go alone. Three nephews or nieces accompanied her.[15] As Brigida admitted, when she got to the Makati offices, she took her seat at a table separate from those that petitioners occupied. And none of them ever approached her.[16]

Clearly, it was not petitioners who prepared Brigida's mind so she would place her thumbmarks on the joint motion for judgment based on a compromise or who informed her as to what it was all about. Indeed, it appears that petitioners were in no better position than she was with respect to the documentations. They all testified that they signed with no opportunity to really read and understand what the documents contained. They were apparently too trusting and just wanted to get the sums promised them.

Besides, Brigida's own son and daughter, Melchor and Gertrudez, acquiesced in and signed the joint motion that supposedly omitted to mention the fact that their mother was, like them, an heir of Lorenzo. Since the prosecution theorized that petitioners conspired in knowingly allowing such omission to stand on the document, then Brigida should have criminally charged her own children with the same offense. They had a greater responsibility in protecting their mother. But she did not. That her own children signed the joint motion on the same occasion[17] and got their share of the money, without giving their mother the slightest hint that something was amiss, indicates that petitioners' good faith and innocence animated all those concerned.

Petitioner Ignacio of course admitted that it was he who gave Atty. Catly the names of Lorenzo's six descendants who were to inherit from him. But there is no evidence that Ignacio acted in bad faith. It may be assumed that Brigida's children, Melchor and Gertrudez who signed the joint motion along with Ignacio, proportionately benefited from the omission of their mother's name in the list of Lorenzo's heirs. That these two did not then object that the settlement had left out their mother to her prejudice indicates that no covetousness prompted the omission.

It does not help the prosecution's case that petitioners had no hand in the actual preparation of either the memorandum of agreement or the joint motion. All that had been established is that Dionisio gave the names of Lorenzo's six descendants-heirs to Atty. Catly. The latter, as prosecution witness, testified that he, too, did not take part in the preparation of the documents. The Ayala Land lawyers, he said, did everything.[18] Thus, the prosecution is unable to impute deceit, false pretenses, or fraudulent acts on petitioners' part.

The Court of Appeals points out that petitioners took no steps to rectify certain irregularities in the documents that Atty. Catly, their counsel in the civil action, called to their attention, indicating a knowing guilt. But it should be observed that these so-called "irregularities" referred merely to the non-inclusion of his attorney's fees and the addition of persons whom he did not think were parties to the action. These supposed irregularities had nothing to do with Brigida's right as Lorenzo's heir.

Why a larger share for Ignacio? Ignacio explained that the settlement did not follow the simple formula of just dividing the amount Ayala Land agreed to pay the parties based on their theoretical legal rights. The agreement computed into his share the legal expenses incurred in the suit and in its eventual settlement. These expenses were to be taken from his share. The prosecution did not bother to refute his explanation.[19]

Besides, one of the essential elements of the complex crime of estafa with falsification of public document is that the untruthful statement, which the offender has made in a document, be a perversion of truth with the wrongful intent of injuring a third person.[20] This key element of the falsification aspect of the crime is not here present because, as stated above, all the signatories to the settlement documents simply assumed, when they signed such documents, that these reflected what was right.

Although the Court has not found sufficient evidence to hold petitioners criminally liable for estafa through falsification of a public document, it finds them civilly liable for having unduly received more than their fair and legal share of Lorenzo's estate at Brigida's expense. Unfortunately, however, the trial court simply ordered petitioners, jointly and severally, to pay Brigida P3,922,004.76 by way of actual damages without stating its basis for arriving at this amount. The Court of Appeals itself adopted this figure also without explanation.

But the award of P3,922,004.76 to Brigida is not supported by the evidence on record. Apparently, the trial court simply added up the shares that petitioners and Brigida's children got out of the settlement with Ayala Land to arrive at a total of P27,454,033.38, the presumptive estate of Lorenzo. It then divided this amount by seven, which is the number of Lorenzo's heirs consisting of the four petitioners, Brigida's two children, and Brigida herself, to arrive at a one-seventh individual share of P3,922,004.76 per heir.

But there is no evidence on record that Lorenzo alone owned the property subject of the settlement with Ayala Land, which would warrant the equal distribution of the property to his heirs of either marriage. Of course, since the children of the first marriage appear to have received larger shares than those of the second marriage in the settlement, the implication is that the property was conjugal asset of the first marriage and so the children of the latter marriage got the larger shares. But, although this was alleged during the preliminary investigation,[21] no evidence was adduced during the trial to establish this as a fact. There is a need, therefore, for the trial court to receive further evidence to settle that issue.

The trial court must also take into account the fact that Brigida's own children also benefited from the exclusion of their mother in the partition of Lorenzo's estate. But since her children are not parties to the case, Brigida must take recourse against them in an appropriate suit for the recovery of what had been unduly paid them, if she is so minded. Petitioner's liability, on the other hand, should be limited to their proportionate share of Brigida's losses.

Further, there is evidence on record that the legal expenses incurred in the suit and in its eventual settlement had been incorporated into the share that Ayala Land earmarked for payment to petitioner Ignacio. These expenses were apparently deducted from the shares of the heirs and have to be taken into account in the final computation.

WHEREFORE, the Court REVERSES and SETS ASIDE the decision of the Court of Appeals in CA-G.R. CR 30235 and ACQUITS petitioners of the crime of which they were charged for failure of the prosecution to prove their guilt beyond reasonable doubt.

The Court also SETS ASIDE the award of P3,922,004.76 by way of actual damages awarded to Brigida Argana Vda. De dela Cruz and DIRECTS the Regional Trial Court of Makati, Branch 58, from which this case emanated to receive further evidence to ascertain whether or not the property subject of settlement belonged to Lorenzo dela Cruz alone or to the conjugal partnership of the first or second marriage and award damages to Brigida as the evidence warrants.

SO ORDERED.

Quisumbing, Carpio Morales, Nachura[*], and Brion, JJ., concur.

[*] Designated as additional member in lieu of Associate Justice Mariano C. Del Castillo, per Special Order No. 730 dated October 5, 2009.

[1] Eugenia dela Cruz died during the pendency of the appeal as evidenced by a Certified True Copy of the Certificate of Death, attached to the Petition, marked as Annex "C"; rollo, p. 58.

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

[3] CA rollo, pp. 109-118. Penned by Associate Justice Agustin S. Dizon, and concurred in by Associate Justices Amelita G. Tolentino and Lucenito N. Tagle.

[4] Records, pp. 276-282.

[5] Branch 58.

[6] Alejandro was charged in the information but died during the pendency of the trial.

[7] All surnamed dela Cruz

[8] Also surnamed dela Cruz.

[9] Ruffled to Branch 58.

[10] Records, pp. 198-212, Exhibit "A" for the Prosecution.

[11] Id. at 213-216, Exhibit "B."

[12] Id. at 217-227, Exhibit "C."

[13] TSN, February 28, 2003, pp. 30-31; TSN, March 7, 2003, pp. 12-14.

[14] Rollo, pp. 92-111, dated August 26, 2008.

[15] TSN, December 15, 1998, pp. 21-23.

[16] Id. at 27 & 30.

[17] TSN, January 13, 1999, p. 10.

[18] TSN, April 21, 1999, pp. 9-10.

[19] TSN, March 07, 2003, p. 18.

[20] *Daan v. Sandiganbayan* (Fourth Division), G.R. Nos. 163972-77, March 28, 2008, 550 SCRA 233, 246.

[21] Records, p. 59.

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