

SIXTO M. BAYAS AND ERNESTO T. MATUDAY, PETITIONERS, VS. THE SANDIGANBAYAN (FIRST DIVISION), THE PEOPLE OF THE PHILIPPINES AND THE OFFICE OF THE SPECIAL PROSECUTOR, RESPONDENTS.

G.R. Nos. 143689-91. November 12, 2002

Ponente: PANGANIBAN, J.

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PANGANIBAN, J.:

May pretrial stipulations duly signed by the accused and their counsel be unilaterally withdrawn before the commencement of the trial? To this main issue, the answer is “No.” Stipulations freely and voluntarily made are valid and binding and will not be set aside unless for good cause. The Rules of Court mandate parties in a criminal case to stipulate facts. Once they have validly and voluntarily signed the stipulations, the accused and their counsel may not set these aside on the mere pretext that they may be placed at a disadvantage during the trial.

Statement of the Case

Before us is a Petition for Certiorari under Rule 65 of the Rules of Court, praying for the setting aside of the April 28, 2000[1] and the May 26, 2000[2] Orders of the Sandiganbayan[3] (SBN) in Criminal Case Nos. 25280-82. The first Order denied petitioners’ Motion to Withdraw the Joint Stipulation of Facts and Documents,[4] while the second denied reconsideration.[5]

The Facts

On May 6, 1999, three Informations[6] were filed before the SBN, charging Petitioners Ernesto T. Matuday and Sixto M. Bayas with violation of Section 3(e) of RA No. 3019, as amended; and two counts of malversation through falsification penalized under Article 217, in relation to Article 171, of the Revised Penal Code. They were charged in their capacities as municipal mayor and municipal treasurer, respectively, of the Municipality of Kabayan, Province of Benguet.

During their arraignment on September 21, 1999, petitioners pled “not guilty.” The pretrial conference scheduled on October 15, 1999 was cancelled and reset to November 5, 1999, because the counsel for the accused, Atty. Jose M. Molintas, was not prepared.[7] On November 5, 1999, the pretrial was again cancelled because of the absence of Atty. Molintas, who was allegedly “suffering from the flu.” Nonetheless, the Sandiganbayan urged the accused to discuss with their counsel the stipulation of facts drafted by Ombudsman Prosecutor II Evelyn T. Lucero. They were asked to do so, so that at the resumption of the pretrial on December 10, 1999, they could expeditiously pass upon all other matters that still remained to be resolved.[8]

On December 10, 1999, the parties submitted a “Joint Stipulation of Facts and Documents,” which had been duly signed by the two accused (herein petitioners), Atty. Molintas and Prosecutor Lucero. It is reproduced hereunder:

“JOINT STIPULATION OF FACTS AND DOCUMENTS

“COME NOW the accused, counsel for the accused and the Prosecution, by and through the undersigned Special Prosecution Officer, Office of the Special Prosecutor, unto the Honorable Court, most respectfully aver: THAT -

“1. After a conference the Defense and the Prosecution admitted the following facts as follows:

“a. Accused Ernesto Matuday was then the Municipal Mayor and accused Sixto Bayas was and [is] still the Municipal Treasurer and designated Municipal Accountant both of Kabayan, Benguet during the period relevant to this case;

“b. Both of the accused admit the disbursement of the amount of P510,000.00 and P55,000.00.

“2. The Prosecution and Defense jointly admit the following documents as their respective documentary exhibits x x x ([with] reservation to mark additional exhibits during the trial of the case) as follows:

‘For the
Prosecution
Common
Exhibits

Exhibits
for the
Defense

Description

‘A’

‘1’

COA Report dated February 29, 1996

‘B’

‘2’

COA Memorandum Dated September 25, 1996

‘C’

‘3’

Page of journal entry of the office of the
Municipal Accountant

‘D’

‘4’

Resolution No. 138 of the Sanguniang
Bayan of the Municipality of Kabayan Benguet carried on August 15,
1996

‘E’

'5'

Transcript of the [S]tenographic Notes taken during the close door session of the Sangguniang Bayan [,]
Kabayan, Benguet
on August 15, 1996 at 1:50 P.M.

‘F’

'6'

Result of the Statement of Investigation conducted on March 24, 1997

‘For Criminal Cases Nos. 25280-25281

‘G’

'7'

Undated disbursement Voucher No. 401-9505186 For the payment of Mobilization fee for the various Projects
at Kabayan, Benguet for P510,000.00

‘H’

'8'

Check No. 60915S-1 for P510,000.00 dated May 4, 1995 signed by both Accused Mayor Matuday and
Treasurer Bayas

‘H-1’

'8-a'

Dorsal Portion of Check No. 60915 S-1

'H-1-a'

'8-a-1'

Signature of some accused Mayor Matuday at the Dorsal portion of Check No. 60915-S-1

‘Criminal Cases Nos. 25282-25280

‘I’

‘a’

Check No. 609177 for P55,000.00 dated June 28, 1995 signed by Mayor Matuday and Treasurer Bayas

‘I-1’

‘9-a’

Dorsal portion of Check No. 609177

‘I-1-a’

‘9-a-1’

Signature of Yolanda Millanes

‘I-1-b’

‘9-a-2’

Signature of Mayor Matuday

‘J’

‘10’

Undated disbursement Voucher for P55,000.00

“3. The Defense shall present at least four witness while the Prosecution opts not to present any witness considering that Defense admitted all the documentary evidence of the Prosecution.

“Quezon City, December 10, 1999.

(signed)

(signed)

ATTY. JOSE M. MOLINTAS

ATTY. EVELYN TAGUBA LUCERO

Counsel for Accused Ombudsman

Prosecutor II

(signed)

(signed)

SIXTO BAYAS

ERNESTO MATUDAY

Accused

Accused”[9]

On January 14, 2000, the pretrial conference was again scuttled due to the absence of Atty. Molintas. The hearing was rescheduled for February 14, 2000. However, on February 7, 2000, he moved to withdraw as counsel for the accused. His motion was granted by the anti-graft court in an Order dated February 14, 2000. In the same Order, the pretrial was rescheduled for March 31, 2000, to give the accused ample time to employ a new counsel.

On April 26, 2000, the accused, represented by their new counsel, Atty. Cecilia M. Cinco, moved to withdraw the Joint Stipulation of Facts and Documents. Specifically, they sought to withdraw, first, Stipulation 1(b) which states that “Both the accused admit the disbursement of the amount of P510,000.00 and P55,000.00”; and second, Exhibits “1” to “8-a”. They invoked their constitutional right to be presumed innocent until proven guilty.

Ruling of the Sandiganbayan

The Sandiganbayan justified its denial of petitioners’ Motion to Withdraw Joint Stipulation of Facts and Documents in this wise:

“x x x. [For] the fact that there [was] express statement from Atty. Rogelio A. Cortes this morning that neither fraud nor any other mistake of a serious character vitiated the consent of the parties when they affixed their conformity to the stipulations of facts, the reason put forth by the accused or movant’s counsel at this time, is that if these stipulations were to remain, then the accused might as well not present any evidence on the entire accusation against him as this will already be supported by the evidence on record. While the court, indeed, sees this as a possibility, that, by itself, is not a ground for withdrawing any stipulation freely and knowingly made and given.”[10]

In the second assailed Order, the anti-graft court denied reconsideration and reiterated its previous stand, as follows:

“x x x. The fact that the stipulation of facts leaves less or no room for the accused to defend himself is not a ground for setting aside a pre-trial order; in fact, an accused can plead guilty if he so desires or make admissions as he deems appropriate and truthful, even if in the mind of the new counsel, it gave very few opportunities to present contesting evidence.”[11]

It then added that “the pre-trial order shall remain. The admissions therein contained can be used in this case and for whatever purpose the Rules on Evidence will allow.”

Hence, this Petition.[12]

The Issues

In their Memorandum, petitioners raise the following issues for the Court's consideration:

"I

Whether or not respondent Sandiganbayan committed grave abuse of discretion amounting to lack or excess of jurisdiction in denying petitioners' Motion to Withdraw the Joint Stipulation of Facts and Documents, considering the relevant facts and applicable laws and rules.

"II

Whether or not the denial by respondent Sandiganbayan of the withdrawal of the Joint Stipulation of Facts and Documents would result in manifest injustice and impairment of the constitutional rights of the petitioners.

"III

Whether or not there is a law or rule which would bar petitioners from withdrawing their Joint Stipulation of Facts and Documents from the respondent Sandiganbayan."[13]

Plainly put, the issue raised by petitioners is whether they may be allowed to withdraw unilaterally from the Joint Stipulation of Facts and Documents.

The Court's Ruling

The Petition has no merit.

Main Issue:

Withdrawal from the Joint Stipulation

Petitioners contend that pretrial stipulations may be unilaterally withdrawn by the accused because allegedly, they are not binding until after the trial court has issued a pretrial order approving them. We are not persuaded.

Petitioners fail to appreciate the indispensable role of stipulations in the speedy disposition of cases. The new Rules on Criminal Procedure mandate parties to agree on matters of facts, issues and evidence. Such stipulations are greatly favored because they simplify, shorten or settle litigations in a faster and more convenient manner. They save costs, time and resources of the parties and, at the same time, help unclog court dockets.

Once validly entered into, stipulations will not be set aside unless for good cause.[14] They should be enforced especially when they are not false, unreasonable or against good morals and sound public policy.[15] When made before the court, they are conclusive. And the party who validly made them can be relieved therefrom only upon a showing of collusion, duress, fraud, misrepresentation as to facts, and undue influence;[16] or upon a showing of sufficient cause on such terms as will serve justice in a particular case.[17] Moreover, the power to relieve a party from a stipulation validly made lies in the court's sound discretion which, unless exercised with grave abuse, will not be disturbed on appeal.[18]

Validity of the Joint Stipulations

While petitioners wish to be relieved from the stipulations, they, however, do not allege that these were false or misleading or were obtained through force or fraud. On the contrary, they do not dispute the finding of the anti-graft court that no fraud or serious mistake vitiated their and their counsel's consent to the signing of these stipulations. They even admitted, in answer to its query, that they had freely given their consent.

Nonetheless, in a desperate bid to strengthen their position, petitioners lay the blame on the alleged incompetence of their former counsel. They claim that, in agreeing to the Joint Stipulation, he failed to consider their legal interests.

To be a ground for relief against a stipulation, a mistake must be one of fact -- not, as in this case, a mere lack of full knowledge of fact because of failure to exercise due diligence in ascertaining it.[19]

Moreover, it is hornbook doctrine that parties are bound by the action or the inaction of their counsel. To all intents and purposes, the acts of a lawyer in the defense or the prosecution of a case are the acts of the client. The rule extends even to the mistakes and the simple negligence committed by the counsel.[20]

Presumption of Innocence

In their effort to withdraw from the Joint Stipulation, petitioners argue that the two questioned items impair their constitutional right to be presumed innocent, violate their right against self-incrimination, and deny them due process in the sense that the trial would be a “useless formality, an idle ceremony.”[21]

Other than by generalized argumentation, petitioners have not convinced us that the aforementioned constitutional rights would be violated. True, the old Rules of Court frowned upon stipulations of facts in criminal cases because of a perceived danger -- that by the mere expedient of stipulating with the defense counsel the elements of the crime charged, the prosecution would relieve itself of its duty to prove the guilt of the accused beyond reasonable doubt.[22] However, the Rules were amended in 1985, precisely to enable parties to stipulate facts. The amendment was carried over to the 2000 Revised Rules on Criminal Procedure. [23]

The acceptability of stipulating facts has long been established in our jurisprudence. In a case involving illegal possession of firearms,[24] the prosecution and the defense stipulated the fact that the accused had been found in possession of a gun without the required permit or license. In *People v. Bocar*,[25] the Court considered as valid the admission by the accused of the existence of certain affidavits and exhibits, which the prosecution had presented to dispense with oral testimonies on the matter contained therein. In *People v. Hernandez*,[26] which involved illegal recruitment, the Court upheld the joint stipulation that the accused had not been licensed or authorized by the Philippine Overseas Employment Agency to recruit workers for overseas jobs.

There is nothing irregular or unlawful in stipulating facts in criminal cases. The policy encouraging it is consistent with the doctrine of waiver, which recognizes that “x x x everyone has a right to waive and agree to waive the advantage of a law or rule made solely for the benefit and protection of the individual in his private capacity, if it can be dispensed with and relinquished without infringing on any public right and without detriment to the community at large.”[27]

In the present case, the Joint Stipulation made by the prosecution and petitioners was a waiver of the right to present evidence on the facts and the documents freely admitted by them. There could have been no impairment of petitioners’ right to be presumed innocent, right to due process or right against self-incrimination because the waiver was voluntary, made with the assistance of counsel and is sanctioned by the Rules on Criminal Procedure.

Necessity of a Pretrial Order

Petitioners further contend that the law on pretrial requires the issuance of a pretrial order to make pretrial stipulations binding. We do not agree.

Section 2 of Rule 118 of the Rules of Court states:

“Sec. 2. Pre-trial agreement. — All agreements or admissions made or entered [into] during the pre-trial conference shall be reduced in writing and signed by the accused and counsel, otherwise, they cannot be used

against the accused. The agreements covering the matters referred to in section 1 of this Rule shall be approved by the court.”[28]

Based on the foregoing provision, for a pretrial agreement to be binding on the accused, it must satisfy the following conditions: (1) the agreement or admission must be in writing, and (2) it must be signed by both the accused and their counsel. The court’s approval, mentioned in the last sentence of the above-quoted Section, is not needed to make the stipulations binding on the parties. Such approval is necessary merely to emphasize the supervision by the court over the case and to enable it to control the flow of the proceedings.

Once the stipulations are reduced into writing and signed by the parties and their counsels, they become binding on the parties who made them. They become judicial admissions of the fact or facts stipulated.[29] Even if placed at a disadvantageous position, a party may not be allowed to rescind them unilaterally; it must assume the consequences of the disadvantage.[30] If the accused are allowed to plead guilty under appropriate circumstances, by parity of reasoning, they should likewise be allowed to enter into a fair and true pretrial agreement under appropriate circumstances.

There is another cogent reason why the Joint Stipulation should be binding. It must be noted that the SBN could not fully act on the matter, not through its fault, but because of the continued absence of petitioners’ counsel. Verily, the records reveal that at the intended completion of the pretrial on January 14, 2000, it could not pass upon the Joint Stipulation because he was absent. Also, the pretrial conference had to be re-scheduled six times, just to ensure the attendance of the parties and their counsels and to prepare them for the conference.

Therefore, under these circumstances, the SBN cannot be faulted for its failure to approve expressly the stipulations. It had the opportunity to rule on the matter only when the accused, through their new counsel, Atty. Cecilia L. Cinco, moved to withdraw their stipulations. In its first assailed Order, the SBN upheld their validity, thereby effectively approving the submitted Joint Stipulation of Facts and Documents. The assent of the court to agreements of the parties, assisted by their counsel, is assumed until they indicate a dissent.[31] Thus, the stipulations freely made by the latter are to be respected as their true will and intention with regard to the facts and evidence of the case, especially if the anti-graft court has not struck them down for being violative of the law.

Role of Lawyers in Pretrials

Pretrial is meant to simplify, if not fully dispose of, the case at its early stage. It is therefore important that the parties take active roles in the proceedings. The Rules on Criminal Procedure provide that if the counsel for the accused and/or the prosecutor do not appear at the pretrial and do not offer an acceptable excuse for their lack of cooperation, the court may impose proper sanctions or penalties.[32]

Verily, during pretrial, attorneys must make a full disclosure of their positions as to what the real issues of the trial would be. They should not be allowed to embarrass or inconvenience the court or injure the opposing litigant by their careless preparation for a case; or by their failure to raise relevant issues at the outset of a trial; or, as in this case, by their unilateral withdrawal of valid stipulations that they signed and that their clients fully assented to.[33]

The records reveal that the parties were the ones who volunteered to make the Joint Stipulation of the facts of the case. Thus, the anti-graft court can rightfully expect that both parties arrived upon it with fairness and honesty. Therefore, petitioners may not assail it on the mere ground that it would allegedly put the accused at a disadvantage. Furthermore, a new counsel cannot justify such withdrawal by the simple expedient of passing the blame on the previous counsel, who had supposedly not sufficiently discharged his duty to the client.

If we allow parties to renege on stipulations they validly entered into during the course of pretrial proceedings,

there would be no end to litigations.[34] Lawyers can wiggle in and out of agreements the moment they are disadvantaged. Lawyers should remember, however, that they are not merely representatives of the parties but, first and foremost, officers of the court. As such, one of their duties -- assisting in the speedy and efficient administration of justice[35] -- is more significant than that of acquitting their client,[36] rightly or wrongly.

We stress that candor in all dealings is the very essence of membership in the legal profession. Lawyers are obliged to observe rules of procedure in good faith, not to misuse them to defeat the ends of justice.[37] They should realize that the earlier they dispose of their cases, especially at the pretrial stage, the better for them. In doing so, they can now concentrate and work more efficiently on their other cases.[38]

Grave Abuse of Discretion

As already discussed, the power to relieve a party from a stipulation validly made lies at the sound discretion of the court. Unless exercised with grave abuse, this discretion will not be disturbed on appeal.[39] There is “grave abuse of discretion” where “a power is exercised in an arbitrary, capricious, whimsical or despotic manner by reason of passion or personal hostility, so patent and so gross as to amount to evasion of positive duty or virtual refusal to perform a duty enjoined by, or in contemplation of law.”[40]

Petitioners in this case failed to prove that the Sandiganbayan committed grave abuse of discretion in disallowing them to withdraw the stipulations that they had freely and voluntarily entered into. Also, no bad faith or malice was or can be imputed to the anti-graft court for failing to immediately act upon the Joint Stipulation. The delay was due, not to its deliberate evasion of its duty, but to the continued absence of petitioners’ counsel.

WHEREFORE, the Petition is DENIED, and the assailed Orders AFFIRMED. Costs against petitioners.

SO ORDERED.

Puno, (Chairman), Sandoval-Gutierrez, Corona, and Carpio-Morales, JJ., concur.

[1] Rollo, p. 27.

[2] Id., pp. 28-29.

[3] First Division. Signed by Justice Francis E. Garchitorena (Division chairman) and Justices Catalino R. Castañeda Jr. and Gregory S. Ong (members).

[4] Rollo, pp. 45-48.

[5] Id., pp. 49-52.

[6] Records, pp. 224-229.

[7] Sandiganbayan Order dated October 15, 1999; records, p. 77.

[8] Sandiganbayan Order dated November 5, 1999; id., p. 67.

[9] Rollo, pp. 41-43.

[10] Assailed Order dated April 28, 2000; rollo, p. 27-A.

[11] Assailed Order dated May 26, 2000, p.1; id., p. 28.

[12] The case was deemed submitted for decision on May 10, 2001, upon this Court’s receipt of petitioners’ Memorandum, which was signed by Attys. Rogelio A. Cortes and Cecilia L. Cinco of the “CRC Law Firm.”

Respondents' Memorandum, filed on April 25, 2001, was signed by Attys. Rodrigo V. Coquia and Ireneo M. Paldeng of the Office of the Special Prosecutor/Ombudsman.

[13] Petitioners' Memorandum, p. 12; rollo, p. 128. Original in upper case.

[14] National Council of Knights and Ladies of Security v. Scheiber, 169 NW 272, October 25, 1918.

[15] Esch v. Forster, 168 So. 229, January 20, 1936.

[16] 83 CJS 90 (1953).

[17] Woods v. First National Bank of Chicago, 41 NE2d 235, April 20, 1942.

[18] Ibid.

[19] 83 CJS 91 (1953).

[20] Villa Rhecar Bus v. De La Cruz, 157 SCRA 13, January 7, 1988; Legarda v. CA, 280 SCRA 642, October 16, 1997.

[21] Petitioners' Memorandum, p. 24; rollo, p. 140.

[22] People v. Hernandez, 260 SCRA 25, July 30, 1996.

[23] Section 1, Rule 118:

"SECTION 1. Pre-trial; mandatory in criminal cases.- In all criminal cases cognizable by the Sandiganbayan, Regional Trial Court, Metropolitan Trial Court, Municipal Trial Court in Cities, Municipal Trial Court and Municipal Circuit Trial Court, the court shall, after arraignment and within thirty (30) days from the date the court acquires jurisdiction over the person of the accused, unless a shorter period is provided for in special laws or circulars of the Supreme Court, order a pre-trial conference to consider the following:

'x x x x x x x x

'(b) stipulation of facts;

'x x x x x x x x.'"

[24] See People v. Mapa, 20 SCRA 1164, August 30, 1967.

[25] 27 SCRA 512, March 28, 1969.

[26] 260 SCRA 25, July 30, 1996.

[27] Herrera, Remedial Law, Volume IV, 2001 ed., pp. 667-668, citing People v. Donato, 198 SCRA 130, 154, June 5, 1991; People v. Hernandez, supra.

[28] 2000 Rules of Criminal Procedure.

[29] Schreiber v. Rickert, 50 NE 2d 879, October 13, 1943.

[30] See Dequito v. Llamas, 66 SCRA 504, September 4, 1975.

[31] McLeod v. Hyman, 116 A. 535, February 6, 1922.

[32] Section 3, Rule 118 of the Revised Rules of Criminal Procedure.

- [33] Maryland Casualty Co. v. Rickenbaker, 146 F. 2d 751, December 15, 1944.
- [34] Gacutana-Fraile v. Domingo, 348 SCRA 414, December 15, 2000.
- [35] Muñoz v. People, 53 SCRA 190, September 28, 1973.
- [36] City Sheriff, Iligan City v. Fortunado, 288 SCRA 190, March 27, 1998.
- [37] Far Esatern Shipping Company v. Court of Appeals, 297 SCRA 30, October 1, 1998.
- [38] J. Bellosillo, Effective Pre-trial Technique, 1990 ed., p. 199.
- [39] Supra, note 17.
- [40] Baylon v. Office of the Ombudsman, GR No. 142738, December 14, 2001.

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