

Title: **Hilario P. Soriano vs. People of the Philippines, BSP, PDIC, and Others**

Facts:

In 2000, the Bangko Sentral ng Pilipinas (BSP) Office of Special Investigation (OSI) transmitted a letter dated March 27, 2000, along with five affidavits, to the Department of Justice (DOJ). These documents were intended to serve as the basis for filing criminal charges against Hilario P. Soriano, then-president of the Rural Bank of San Miguel (RBSM) in Bulacan, Philippines. The affidavits alleged that Soriano had facilitated an P8 million loan under the names of spouses Enrico and Amalia Carlos, who neither applied for nor received such a loan. The OSI letter requested a preliminary investigation and the filing of corresponding criminal charges at Soriano's last known address.

State Prosecutor Alberto R. Fonacier conducted a preliminary investigation, issuing a subpoena to Soriano and requiring a counter-affidavit. After the investigation, Fonacier filed two separate informations before the Regional Trial Court (RTC) of Malolos, Bulacan:

1. Criminal Case No. 237-M-2001: Estafa through falsification of commercial documents under Article 315, paragraph 1(b), of the Revised Penal Code (RPC) in relation to Article 172 of the RPC and Presidential Decree (PD) No. 1689.
2. Criminal Case No. 238-M-2001: Violation of Section 83 of the Republic Act (RA) 337, as amended by PD 1795 (DOSRI law).

Both cases, initially raffled to Branch 79 of RTC of Malolos, Bulacan, accused Soriano and co-defendant Rosalinda Ilagan, of falsifying loan documents and converting loan funds for personal gain. Soriano moved to quash both informations on grounds of jurisdictional defects and factual insufficiency, arguing incompatibility of the charges for Estafa and DOSRI law violation.

RTC denied the motion to quash. Soriano's subsequent Petition for Certiorari with the Court of Appeals (CA) was also denied. The CA ruled that the OSI letter was merely a transmittal letter, not a complaint-affidavit, and affirmed the sufficiency of the affidavits as the basis for the charges. Soriano's motion for reconsideration was denied, leading to his petition before the Supreme Court.

Issues:

1. Whether the complaint complied with mandatory requirements under Section 3(a), Rule

112 of the Rules of Court, and Section 18, paragraphs (c) and (d) of RA 7653.

2. Whether it was possible to charge Soriano for Estafa and violation of DOSRI law concurrently.
3. Whether a petition for certiorari under Rule 65 was the proper remedy against an RTC order denying a motion to quash.
4. Whether Soriano was entitled to a writ of injunction.

****Court's Decision:****

1. ****Compliance with Mandatory Requirements****: The Supreme Court, following the principles established in Soriano v. Hon. Casanova, ruled that the BSP letter and the attached affidavits complied with Section 3(a), Rule 112 of the Rules of Court. They were deemed sufficient to initiate preliminary investigation, as the affidavits were subscribed under oath, signifying substantial compliance with legal requirements.
2. ****Concurrent Charges****: The court found that the allegations in the informations, when hypothetically admitted, constituted the offenses of both Estafa and violation of DOSRI law. The court dismissed Soriano's argument that owning the loan (as required for DOSRI violation) precludes the possibility of committing Estafa, reasoning that the fraudulent use of another person's name to obtain a loan did not grant Soriano ownership of the bank's funds, merely fiduciary control subject to misappropriation or conversion.
3. ****Proper Remedy****: The court reiterated that certiorari under Rule 65 is not the proper remedy for an RTC order denying a motion to quash an information. The appropriate action would be to proceed to trial, present defenses, and appeal if convicted.
4. ****Writ of Injunction Denial****: The court found no clear legal right warranting injunctive relief, as it requires satisfactory evidence of a material and substantial invasion of rights which Soriano failed to demonstrate.

Thus, Soriano's petition was denied, affirming the CA's decision and resolution.

****Doctrine:****

1. ****Affidavits for Preliminary Investigation****: Affidavits attached to a BSP letter to the DOJ are sufficient to initiate a preliminary investigation if sworn under oath and subscribed before a notary public.
2. ****Concurrent Charges****: A bank officer could be simultaneously charged with Estafa and

a DOSRI law violation. Use of another person's name to secure a loan without proper board approval constitutes indirect borrowing under DOSRI law even when the bank funds are subject to misappropriation.

3. **Certiorari under Rule 65**: Not the appropriate remedy against an RTC's denial of a motion to quash an information; the accused must go to trial and present defenses.
4. **Injunctive Relief**: Requires clear legal rights and compelling necessity, both of which must be substantiated by the complainant.

Class Notes:

1. **Section 3(a), Rule 112 (Rules of Court)** - Complaint must contain averments by witnesses with personal knowledge; here, the affidavits fulfilled such requirement.
2. **Estafa (Article 315, Paragraph 1(b), RPC)** - Misappropriation or conversion of funds under fiduciary capacity.
3. **DOSRI Law (Section 83, RA 337)** - Prohibits direct and indirect borrowing by bank officers without proper board approval and reporting.
4. **Certiorari under Rule 65** - Requires showing of grave abuse of discretion by the lower court, otherwise trial and appeal are the standard processes.

Historical Background:

This case reflects the stringent regulatory environment imposed on banking officials in the Philippines, specifically concerning loan transactions to avoid conflicts of interest and ensure transparency. It demonstrates the importance of adherence to banking laws (DOSRI) to maintain integrity within financial institutions. The case also emphasizes the judiciary's commitment to allowing the due process while limiting the scope for delaying tactics via improper legal remedies.