



Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

NENITA CARGANILLO,
Petitioner,

G.R. No. 182424

Present:

- versus -

CARPIO, J., Chairperson,
BRION,
DEL CASTILLO,
MENDOZA, and
LEONEN, JJ.

Promulgated:

PEOPLE OF THE PHILIPPINES,
Respondent.

SEP 22 2014 *HW Cabalag Perfecto*

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DECISION

BRION, J.:

Pursuant to Rule 45 of the Rules of Court, we review the decision¹ and the resolution² of the Court of Appeals (CA) in CA-G.R. CR No. 29371 which denied the appeal of Nenita Carganillo (*petitioner*). The CA affirmed, with modification as to penalty, the judgment³ of the Regional Trial Court (RTC), Branch 30, Cabanatuan City, convicting the petitioner of the crime of *estafa*, defined and penalized under Article 315, paragraph 1(b) of the Revised Penal Code, as amended.

THE CASE

On September 23, 1998, Teresita Lazaro, a rice trader in Rizal, Nueva Ecija, gave the petitioner the amount of P132,000.00 for the purpose of

¹ Penned by former CA (now Supreme Court) Associate Justice Estela M. Perlas-Bernabe, and concurred in by CA Associate Justice Portia Aliño-Hormachuelos and former CA (now Supreme Court) Associate Justice Lucas P. Bersamin; *rollo*, pp. 75-83.

² Id. at 94.

³ Id. at 54-64.

HW

buying *palay*. The petitioner, who was alleged to be an “ahente” or agent in the buy-and-sell of *palay*, agreed to deliver the *palay* to the Lazaro *Palay* Buying Station on or before November 28, 1998. According to the “*Kasunduan*” signed by the petitioner, the parties agreed that for every kilo of *palay* bought the petitioner shall earn a commission of twenty centavos (₱0.20). But if no *palay* is purchased and delivered on November 28, the petitioner must return the ₱132,000.00 to Teresita within one (1) week after November 28.

After failing to receive any *palay* or the ₱132,000.00 on November 28 and one (1) week thereafter, respectively, Teresita made oral and written demands to the petitioner for the return of the ₱132,000.00 but her demands were simply ignored. She thus filed an affidavit-complaint for *estafa* against the petitioner before the Fiscal’s Office. Thereafter, an Information⁴ for the crime of *estafa* was filed in court.

The petitioner pleaded not guilty to the crime and denied that she entered into a “principal-agent” agreement with, and received the ₱132,000.00 from, Teresita. She alleged that she owed Teresita a balance of ₱13,704.32 for the fertilizers and rice that she purchased from the latter in 1995 and 1996,⁵ and that, in November 1996, she was made to sign a blank “*Kasunduan*” that reflected no written date and amount.⁶ She likewise denied personally receiving any written demand letter from Teresita.⁷

In a decision dated November 19, 2004, the RTC convicted the petitioner of the crime of *estafa* and sentenced her to suffer, applying the Indeterminate Sentence Law, imprisonment ranging from four (4) years and one (1) day of *prision correccional* as minimum to twenty (20) years of *reclusion temporal* as maximum.⁸ Also, the RTC ordered the petitioner to indemnify Teresita the sum of ₱132,000.00 representing the amount embezzled and to pay the costs of suit.⁹

⁴ The Information reads:
“That on or about the 23rd day of September 1998, in the Municipality of Rizal, Province of Nueva Ecija, Philippines, and within the jurisdiction of this Honorable Court, the above-named accused, received in trust from Teresita Lazaro the amount of ONE HUNDRED THIRTY TWO THOUSAND PESOS (₱132,000.00) to be used in buying palay for said Teresita Lazaro on commission basis and to account for the same on November 28, 1998 but that contrary to their agreement, the said accused after receiving the said amount, with abuse of confidence and intent to defraud, did then and there, wilfully, unlawfully and feloniously misappropriate to herself the said amount and apply the same to her own personal benefit and despite demands, the said accused failed to comply with her obligation to the damage and prejudice of said Teresita Lazaro in the aforesaid amount.

CONTRARY TO LAW.”

⁵ *Rollo*, p. 56.

⁶ *Id.* at 57.

⁷ *Id.* at 78.

⁸ *Id.* at 63.

⁹ *Id.* at 64.

On appeal, the CA affirmed the petitioner's conviction.¹⁰ The CA held that the prosecution properly established the elements of the crime of *estafa*. In debunking petitioner's claim that her agreement with Teresita was merely a money loan, the CA stated that:

In this case, the Kasunduan dated September 23, 1998, which-accused-appellant admittedly signed, is clear in its tenor and the failure to comply therewith makes out a case for *estafa*. Accused-appellant's insistence that she signed the said Kasunduan in blank is belied by her admission of "the existence or authenticity of the documentary exhibits x x x" during the prosecution's formal offer of evidence and her own testimony x x x.

Further, the CA ruled as immaterial the petitioner's defense that she did not personally receive a *written* letter of demand from Teresita. The CA held that even a verbal query as to the whereabouts of the money suspected to be misappropriated is already tantamount to a demand, and that the petitioner failed to refute Teresita's claim that she went to the petitioner's house to ask for the *palay* and/or the return of the ₱132,000.00.¹¹

The CA, however, found error in the RTC's computation of the penalty and imposed upon the petitioner an indeterminate penalty of four (4) years and two (2) months of *prision correccional*, as minimum, to eight (8) years of *prision mayor*, as maximum, plus one (1) year for each additional ₱10,000.00 (in excess of ₱22,000.00), equivalent to eleven (11) years, or a total of nineteen (19) years.¹²

The petitioner elevated her judgment of conviction to the Court by filing a petition for review on *certiorari* under Rule 45.

THE PETITION

In her petition, the petitioner raises the sole issue of whether the CA erred in affirming (with modification) the judgment of conviction against her, despite the prosecution's failure to prove her guilt of the crime of *estafa* beyond reasonable doubt.

The petitioner maintains that she is not engaged in the business of buying and selling *palay* and that the "*Kasunduan*" between her and Teresita does not contain their real agreement of a simple money loan. She argues that the prosecution failed to establish all the elements of *estafa* because she never received the ₱132,000.00 from Teresita; that an element of the crime is that "the offender receives the money, or goods or other personal property in trust, or on commission, or for administration, or under any other obligations involving the duty to deliver, or to return, the same."

¹⁰ In a decision dated September 10, 2007.

¹¹ *Rollo*, p. 81.

¹² *Id.* at 82.

THE COURT'S RULING

We deny the present petition. The CA did not commit any reversible error in its decision of September 10, 2007.

Under Article 315, paragraph 1(b) of the Revised Penal Code, as amended, the offense of *estafa* committed with abuse of confidence requires the following elements:

- (a) that money, goods or other personal property is received by the offender in trust or on commission, or for administration, or under any other obligation involving the duty to make delivery of or to return the same[;]
- (b) that there be misappropriation or conversion of such money or property by the offender, or denial on his part of such receipt[;]
- (c) that such misappropriation or conversion or denial is to the prejudice of another; and
- (d) there is demand by the offended party to the offender.¹³

We find that all the elements of *estafa* are present in this case: that the petitioner received in trust the amount of ₱132,000.00 from Teresita for the purpose of buying *palay* and misappropriated it when she failed to return the said amount to Teresita upon demand.

As the CA and the RTC did, we find worthy of credit and belief the “*Kasunduan*” presented in evidence by the prosecution that was *admittedly* signed by the petitioner and which contained the terms of agreement between her and Teresita. This document clearly stated that the petitioner received in trust the amount of ₱132,000.00 from Teresita for the purpose of buying *palay* with the corresponding obligations to (1) deliver the palay to the Lazaro Palay Buying Station on or before November 28, 1998, and (2) return the ₱132,000.00 to Teresita one week after November 28 in the event that the petitioner failed to make *palay* purchases.

It is settled that the agreement or contract between the parties is the formal expression of the parties’ rights, duties, and obligations and is the best evidence of the parties’ intention. Thus, when the terms of an agreement have been reduced into writing, it is considered as containing all the terms agreed upon and there can be, between the parties and their successors in interest, no evidence of such terms other than the contents of the written agreement.¹⁴ However, this rule, known as the *Parol Evidence Rule*, admits of exceptions.

¹³ *Aw v. People*, G.R. No. 182276, March 29, 2010, 617 SCRA 64.

¹⁴ *Gamboa, Rodriguez, Rivera & Co., Inc. v. Court of Appeals*, G.R. No. 117456, May 6, 2005, 458 SCRA 68, 73.

Section 9, Rule 130 of the Rules of Court provides that a party to a written agreement may present evidence to modify, explain or add to the terms of the agreement if he puts in issue in his pleading the following:

- (a) An intrinsic ambiguity, mistake or imperfection in the written agreement;
- (b) The failure of the written agreement to express the true intent and agreement of the parties thereto;
- (c) The validity of the written agreement; or
- (d) The existence of other terms agreed to by the parties or their successors in interest after the execution of the written agreement.

x x x x

In this case, the petitioner alleges that the subject “*Kasunduan*” failed to express the real agreement between her and Teresita; that theirs was a plain and simple loan agreement and not that of a principal-agent relationship in the buy-and-sell of *palay*. The documentary and testimonial evidence presented by the petitioner, however, fail to support her claims.

The RTC found that the receipts presented by the petitioner to prove her loan obligation with Teresita were vague, undated and unsigned.¹⁵ Also, the RTC observed that the witnesses who testified that they saw the petitioner sign the “*Kasunduan*” were not even certain of the real transaction between the petitioner and Teresita.¹⁶ These findings of fact and evidence, which were affirmed by the CA, are accorded respect and finality by this Court. Where the factual findings of the trial court are affirmed *in toto* by the Court of Appeals, there is great reason not to disturb these findings and to regard them not reviewable by this Court.¹⁷

Also, we cannot sustain the petitioner’s claim that she had been the victim of a fraud because Teresita deceived her into signing a blank document; that she signed the “*Kasunduan*,” even if it had no date and amount written on it, because Teresita led her to believe that the document would be used merely for show purposes with the bank.¹⁸

For fraud to vitiate consent, the deception employed must be the causal (*dolo causante*) inducement to the making of the contract,¹⁹ and must be serious in character.²⁰ It must be sufficient to impress or lead an ordinarily prudent person into error, taking into account the circumstances of each case.²¹

¹⁵ Id. at 62.

¹⁶ Id. at 62.

¹⁷ *Uriarte, et al. v. People*, G.R. No. 137344, January 30, 2001, 350 SCRA 580.

¹⁸ *Rollo*, p. 78.

¹⁹ *Woodhouse v. Halili*, 93 Phil. 526, 537 (1953).

²⁰ Article 1344 of the CIVIL CODE provides that: “In order that fraud may make a contract voidable, it should be serious and should not have been employed by both contracting parties. x x x”

²¹ *Mayor v. Belen*, G.R. No. 151035, June 3, 2004, 430 SCRA 561, 565.

In this case, we find no vitiated consent on the part of the petitioner. In her Memorandum²² to this Court, she narrated that after she signed the “Kasunduan,” Teresita subsequently made her execute a deed of sale over her property, which deed she refused to sign.²³ This statement negates the petitioner’s self-serving allegation that she was tricked by Teresita into signing a blank “Kasunduan,” as she was fully aware of the possible implications of the act of signing a document.

We affirm the correctness of the penalty imposed by the CA, as it is fully in accordance with the law. We explained in *People v. Temporada*²⁴ that:

“The prescribed penalty for *estafa* under Article 315, par. 2(d) of the RPC, when the amount defrauded exceeds ₱22,000.00, is *prisión correccional* maximum to *prisión mayor* minimum. The minimum term is taken from the penalty next lower or anywhere within *prisión correccional* minimum and medium (*i.e.*, from 6 months and 1 day to 4 years and 2 months). xxx

On the other hand, the maximum term is taken from the prescribed penalty of *prisión correccional* maximum to *prisión mayor* minimum in its maximum period, adding 1 year of imprisonment for every ₱10,000.00 in excess of ₱22,000.00, provided that the total penalty shall not exceed 20 years. xxx To compute the maximum period of the prescribed penalty, *prisión correccional* maximum to *prisión mayor* minimum should be divided into three equal portions of time each of which portion shall be deemed to form one period in accordance with Article 65 of the RPC. Following this procedure, the maximum period of *prisión correccional* maximum to *prisión mayor* minimum is from 6 years, 8 months and 21 days to 8 years. The incremental penalty, when proper, shall thus be added to anywhere from 6 years, 8 months and 21 days to 8 years, at the discretion of the court.

In computing the incremental penalty, the amount defrauded shall be subtracted by ₱22,000.00, and the difference shall be divided by ₱10,000.00. Any fraction of a year shall be discarded as was done starting with the case of *People v. Pabalan* in consonance with the settled rule that penal laws shall be construed liberally in favor of the accused. xxx”²⁵

In the recent case of *Lito Corpuz v. People of the Philippines*,²⁶ we recognized the “perceived injustice” brought about by the range of penalties that the courts continue to impose on crimes against property, such as *estafa*, committed today based on the amount of damage measured by the value of money eight years ago in 1932. This Court, however, cannot modify these range of penalties in our decisions, as such action would be an impermissible encroachment upon the power of the legislative branch of government and would constitute proscribed judicial legislation.

²² Dated March 30, 2009; *rollo*, pp. 124-137.

²³ Id. at 127.

²⁴ G.R. No. 173473, December 17, 2008, 574 SCRA 258, 302.

²⁵ Id. at 283-284.

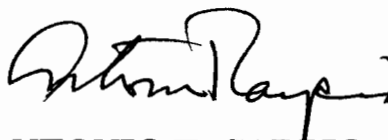
²⁶ G.R. No. 180016, April 29, 2014.


WHEREFORE, premises considered, we **DENY** the petition for lack of merit. We **AFFIRM** the decision dated September 10, 2007 and the resolution dated March 18, 2008 of the Court of Appeals in CA-G.R. CR No. 29371, finding petitioner Nenita Carganillo **GUILTY** beyond reasonable doubt of *estafa* penalized under Article 315, paragraph 1(b) of the Revised Penal Code, as amended.

SO ORDERED.


ARTURO D. BRION
Associate Justice

WE CONCUR:


ANTONIO T. CARPIO
Associate Justice
Chairperson



MARIANO C. DEL CASTILLO
Associate Justice


JOSE CATRAL MENDOZA
Associate Justice


MARVIC M.V.F. LEONEN
Associate Justice

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


ANTONIO T. CARPIO
Acting Chief Justice