

SECOND DIVISION

[G.R. No. 171565, July 13, 2010]

ANTONIO B. RAMOS (DECEASED), SUBSTITUTED BY HIS SURVIVING HEIRS, NAMELY, MA. MARGARITA A. RAMOS, ANTONIO A. RAMOS, MA. REGINA RAMOS DE DIOS, JOSE VICENTE A. RAMOS, MA. POMONA RAMOS KO TEH AND OSCAR EMERITO A. RAMOS, PETITIONERS, VS. PEOPLE OF THE PHILIPPINES AND ROGERIO H. ESCOBAL, RESPONDENTS.

D E C I S I O N

MENDOZA, J.:

This is a Petition for Review under Rule 45 of the Rules of Court challenging: **(1)** the July 29, 2005 Resolution^[1] of the Court of Appeals, in *CA-G.R. SP No. 90344*,^[2] dismissing outright the petition for review (under Rule 42) filed by petitioner Antonio B. Ramos; and **(2)** the February 14, 2006 Resolution^[3] of the same court denying his Motion for Reconsideration.

On January 15, 1999, the petitioner filed an Affidavit-Complaint,^[4] pertinent portions of which allege:

1. I am the lawful assignee of shares of stock covered by the following stock certificates: (a) Travellers Life Assurance of the Philippines, Inc. (TLAP) Stock Certificate Nos. 313 and 314, and (b) Travellers Insurance & Surety Corporation (TRISCO) Stock Certificate Nos. 173 and 174, by virtue of a Deed of Assignment executed by the respondent Emerito M. Ramos, Sr. and his wife (my mother) Susana B. Ramos in my favor in August 1994.

x x x x x x x x x

2. Sometime in August 13, 1996, Gloria Ramos Lagdameo, EVP/Treasurer of Travellers Insurance & Surety Corporation (TRISCO), and having been entrusted by Antonio B. Ramos with the safekeeping of the aforesaid stock certificates turned over the same to Emerito Ramos, Sr. at his insistence, and as such knew that they were actually indorsed in my name in 1994, as shown in her affidavit, x x x.^[5]

3. After receiving the said stock certificates,

3.1 the respondents, Emerito M. Ramos, Sr. and Rogerio H. Escobal, conspiring and conniving with one another altered the four (4) aforementioned stock certificates by the erasure of

the entry "ANTONIO B. RAMOS" and the superimposition of the type-written entry "E.M. Ramos & Sons, Inc." on the dorsal side of each of the four questioned stock certificates, as supported by the Questioned Documents Report No. 652-998 of the National Bureau of Investigation, and

3.2 The respondent Escobal upon the prodding of and with the criminal assent of the respondent Ramos, and in his own handwriting, altered the true date when Susana B. Ramos endorsed both TRISCO and TLAP Stock Certificate Nos. 174 and 314 making it falsely appear that Susana B. Ramos indorsed both Stock Certificates with intent to assign the same on "January 19, 1998" when in truth Travelers Insurance & Surety Corporation (TRISCO) Stock Certificate Nos. 173 and 174, by virtue of a Deed of Assignment, was indorsed in my favor, as early as in August 1994.

X X X X X X X X X

4. The alteration made on the aforementioned genuine documents by the respondents has changed the meaning of the same, for their own personal use and benefit, by:

4.1. Making it falsely appear that the assignee of the questioned stock certificates is "E.M. Ramos & Sons" instead of "Antonio B. Ramos," as the lawful and legal assignee of the shares of stock covered by the aforesaid stock certificates.

4.2. Making it falsely appear that Susana B. Ramos indorsed both Stock Certificates with intent to assign the same on 'January 19, 1998' when she could not have done so because as early as September 1996, Susana B. Ramos was already physically incapable of signing any documents as supported by the statement of Alberto Alcancia, Ricardo Deliza and Analia Ogario, and Maria Cecilia Santiago, and a Medical Summary made on her medical condition by Martesio C. Perez, M.D., affecting therefore the veracity of the above document purporting an assignment made by her in favor of "E.M. RAMOS & SONS, INC." on the said date.

After the preliminary investigation, the Investigating Prosecutor issued a *Resolution*, dated April 20, 1999,^[6] finding probable cause and recommending that both respondents Emerito M. Ramos, Sr. and Rogerio H. Escobal be indicted for violation of paragraph 1 of Article 172 in relation to

paragraph 6 of Article 171 of the Revised Penal Code (RPC).^[7] Specifically, Assistant City Prosecutor Arthur O. Malabaguio pointed out that:

The first issue to be resolved is whether or not probable cause exists for falsification of document.

A thorough and careful examination of the evidence presented would show that there is probable cause for falsification of documents.

Respondent Emerito Ramos admitted in his sworn statement that he caused the erasure of the name of the complainant as the assignee in the dorsal portion of the subject certificates of stock and superimposed therein the name E.M. Ramos & Sons, Inc. as the new assignee.

Respondents tried to justify such action by stating that complainant failed to comply with the prestation required of him in the Deed of Assignment executed on 17 August 1994. In the exercise of [their] right of dominion, as Emerito Ramos Sr. and Susana Ramos were still the registered owners of subject shares of stocks, complainant's name was erased and substituted by another in all four stock certificates.

The defense invoked by the respondents is untenable. In the absence of any evidence to the contrary, the deed of assignment executed on 17 August 1994 between complainant and spouses Ramos should be treated as valid and subsisting. By virtue of the execution of this document, the name of complainant as assignee appeared on subject certificates of stock.

There is no showing that this deed of assignment was later nullified or declared void by failure of the complainant to fulfill his undertaking as declared in the deed of assignment. On the other hand, respondent Emerito Ramos Sr. by his own unilateral action, rescinded the contract and subsequently decided to assign subject shares of stocks to EMRASON. Complainant questioned this action of Emerito Ramos Sr. and even filed with Securities and Exchange Commission an action for nullity of assignment of shares and other reliefs (SEC Case No. 03-98-5955).

In the absence of proof that there was [a] valid rescission of the first Deed of Assignment, [the] validity of the execution of the Second Deed of Assignment is now placed in question. Respondent Emerito Ramos Sr. could not now invoke defense that substitution of Antonio Ramos to E.M. Ramos and Sons, Inc. was made to speak the truth.

In any case, it was established that respondents made the alterations as borne out by their sworn statements making them liable for falsification of documents.

Anent the date "January 19, 1998" in the subject stock certificates, there appears to be a conflict in relation to the allegations of the opposing parties. Complainant claims that respondents erased the original date and superimposed the same with the date January 19, 1998 making them liable under paragraph (5) (altering true dates) of Article 171 in relation to Article 172 of the Revised Penal Code. Respondents maintain that prior to the filling up of the date, there was already a blank space and respondent Rogerio Escobal was required to fill it up with the date January 19, 1998 to conform with the date the second deed of assignment was made.

Complainant failed to have this part of the document examined by the NBI unlike in the case of the name of the assignee wherein the NBI made its findings. In the absence of this, it is safe to assume, as admitted by the respondents themselves, that the date January 19, 1998 was placed by Rogerio Escobal in a blank space appearing on said documents. Therefore, violation of paragraph 6 and not paragraph 5 of Article 171 in relation to Article 172 of the Revised Penal Code was committed.

The second issue to be resolved is whether or not respondents conspired to commit the offense of falsification of document.

It should be noted that respondent Rogerio Escobal occupies [a] high position in EMRASON (Senior Vice-President thereof). As such, he could have known of the details of the special meeting of the Board of Directors of EMRASON held on January 14, 1998 concerning the assignment of shares of stock of spouses Emerito Ramos and Susana Ramos - the very same shares of stock subject matter of this complaint. He could have known that the Board of Directors of EMRASON accepted the offer of payment by spouses Ramos by way of assignment of subject shares of stock to EMRASON.

At the time respondent Rogerio Escobal assigned the different certificates of stock on April 19, 1998[,], it should be assumed that [, as witness] he read the contents of the documents before affixing his signature. Perusal of the documents would remind him of the subject of [the] special meeting held on January 14, 1998.

Moreover, it was shown by the complainant that it was not true that it was only [on] 19 January 1998 that respondent Rogerio Escobal saw [the] subject certificates[,], as he was present along with Col. Nicolas, Mr. & Mrs. Lagdameo and Mr. Romeo Isidro when the deed of assignment, together with the indorsement of subject stocks certificates[,], were executed in complainant's favor in August 1994.

In fine, complainant was able to establish by sufficient evidence that respondents conspired with one another in erasing his name as assignee in subject stock certificates and substituted it with E.M. RAMOS & SONS, INC.[,], and placing the date January 19, 1998 as the date of execution of the first deed of assignment[,], in violation of paragraph 1 of Article 172 in relation to paragraph 6 of Article 172 of the Revised Penal Code.

WHEREFORE, premises considered, it is respectfully recommended that both respondents be indicted for violation of above-mentioned provisions of law.

Corollarily, four (4) separate Informations,^[8] charging private respondents Emerito Ramos, Sr. and Rogerio H. Escobal with the crime of Falsification of Commercial Document under paragraph 1 of Article 172 in relation to paragraph 6 of Article 171 of the RPC, were filed. Those were docketed as Criminal Case Nos. 94961-94964, and raffled to the Metropolitan Trial Court (*MeTC*) of Quezon City, Branch 43.

When these cases were called for arraignment and pre-trial, counsel for the accused manifested that an Omnibus Motion to Dismiss the cases against Ramos, Sr. had been filed on the ground that he already passed away. Counsel also moved for the deferment of the arraignment of the other accused, Rogerio Escobal (*Escobal*), considering that there was, before the Office of the Assistant City Prosecutor, a pending Motion for Reconsideration^[9] of the *Resolution (dated April 20, 1999)* recommending the filing of these cases. The MeTC denied the latter motion and ordered the entry of a plea of NOT guilty because private respondent refused to enter a plea.^[10]

The Motion for Reconsideration presented two **(2)** issues, to wit: **(1)** whether or not probable cause exists for falsification of document; and **(2)** whether or not respondents conspired to commit the offense of falsification of document.^[11]

Anent the *first issue*, private respondent Escobal argued that Article 1191^[12] of the Civil Code finds application. He explained that on the basis of the said provision, private respondent Ramos, Sr. cannot be held criminally liable for the consequences of the performance of a lawful act, i.e., the rescission of the Deed of Assignment executed earlier in favor of complainant (*petitioner Ramos*), who failed to comply with the prestations required of him under the Deed, which rescission necessarily resulted in the cancellation or erasure of the name of complainant as assignee in the subject stock certificates.

As regards the *second issue*, private respondent Escobal averred that conspiracy was NOT proved as the crime itself through clear and convincing evidence.

On *November 23, 1999*, the Office of the City Prosecutor issued a Resolution^[13] granting the Motion for Reconsideration and recommending that the Informations against both accused be withdrawn. The Office of the City Prosecutor made the following explanations:

(1) The Deed of Assignment executed on August 17, 1994 clearly indicated the obligation of complainant (*petitioner Ramos*) to transfer his one-tenth (1/10) share in the real properties located in North Susana and North Olympus subdivisions and one-tenth (1/10) portion in the undivided one-hectare, all in Quezon City. Apparently, the stock certificates were purposely placed in the custody of TRISCO Executive Vice President Gloria R. Lagdameo. No evidence showing that the assignment has been recorded in the company's stock and transfer book. Respondent E. Ramos, therefore, has the authority to rescind the contract unilaterally in the exercise of a right granted under Article 1191 of the New Civil Code.

(2) Respondent E. Ramos, having acted in good faith, never denied authorship of the cancellation or erasure. He even placed his signatures to indicate that he was the one who caused the erasures. Hence, in so doing he acted without malice. Generally, the word alteration has inherent in it the idea of deception of making the instrument speak something which the parties did not intend to speak. To be an alteration in violation of the law, it must be one "which causes the instrument to