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## **NEWS/PRESS RELEASE**

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**FOR IMMEDIATE RELEASE**

### **CA upholds PDIC petition, directs DOJ to file estafa charges vs. former Fortune SLA officers**

The Court of Appeals (CA) Seventh Division reversed and set aside the previous resolutions issued by the Department of Justice (DOJ) and directed it to charge six former officers of the closed Fortune Savings and Loan Association, Inc. (FSLAI) for estafa through falsification of commercial documents, citing that there is sufficient evidence on record to indict them for the crime.

The CA decision in October 2019 stemmed from the petition for certiorari filed in September 2010 by the Philippine Deposit Insurance Corporation (PDIC), statutory receiver of the closed FSLAI, that sought the CA to reverse and effectively set aside the previous resolutions of the DOJ promulgated in 2008 and 2010 which downgraded the charge against the former FSLAI officers from Estafa through Falsification of Commercial Documents to Falsification of Commercial Documents.

In 2008, the PDIC sought reconsideration of a DOJ resolution that found probable cause to charge these officers for falsification of commercial documents but excluded the estafa charges. The DOJ in 2010 denied the motion for reconsideration of the statutory receiver.

In its complaint, the PDIC alleged the former bank officers conspired to approve and release a real estate loan in September 1993 amounting to ₱6.5 million, which the borrower denied when a demand was sent to him by the statutory receiver. The borrower claimed that the respondents directed him to sign the loan documents. The CA said that the documents adduced by the PDIC (i.e., Promissory Note, Disclosure Statement on Loan/Credit Transaction, Loan Release Sheet, Loan Action Sheet, Subject Check, and Credit Investigation report) showed that the FSLAI former officers committed acts of falsification and deceit in procuring the loan of ₱6,500,102.46 from FSLAI, and that the respondents received the proceeds of the loan. These circumstances show that the former FSLAI officers are probably guilty of the crime of Estafa through Falsification of Commercial Documents.

Estafa through falsification of commercial documents is a criminal offense under the Revised Penal Code and punishable with imprisonment of up to 20 years.

The PDIC remains relentless in its pursuit of justice against erring bank owners, officers, and unscrupulous parties who take advantage of the deposit insurance system for their gain. The Corporation's vigorous legal actions are crucial for protecting the interests of depositors, safeguarding the Deposit Insurance Fund; and deterring bank officials and individuals from abusing the deposit insurance system.

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*The Philippine Deposit Insurance Corporation (PDIC) was established on June 22, 1963, by Republic Act 3591 to provide depositor protection and help maintain stability in the financial system by providing deposit insurance. Effective June 1, 2009, the maximum deposit insurance coverage is ₱500,000 per depositor. All deposit accounts by a depositor in a closed bank maintained in the same right and capacity shall be added together. A joint account shall be insured separately from any individually-owned deposit account.*

PDIC news/press releases and other information are available at the website, [www.pdic.gov.ph](http://www.pdic.gov.ph).

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