

## **SPECIAL ELEVENTH DIVISION**

**[ CA-G.R. SP. No. 135027, November 24, 2014 ]**

**MILDRED FLORES PIAD, PETITIONER, VS. PEOPLE OF THE  
PHILIPPINES, RESPONDENT.**

### **D E C I S I O N**

**DICDICAN, J.:**

Before this Court is a Petition for Review<sup>[1]</sup> filed pursuant to Rule 42 of the Revised Rules of Court seeking a partial reversal of the Decision<sup>[2]</sup> dated September 16, 2013 rendered by Presiding Judge Madonna C. Echiverri of Branch 81 of the Regional Trial Court in Quezon City ("RTC"), National Capital Judicial Region, in Criminal Cases Nos. R-QZN-13-00600-CR to R-QZN-13-00606-CR for Violation of Batas Pambansa (B.P.) Blg. 22, otherwise known as the Bouncing Checks Law. Likewise assailed herein is the Order<sup>[3]</sup> of the RTC dated March 19, 2014 which denied the Partial Motion for Reconsideration filed by herein petitioner, Mildred Flores Piad ("petitioner").

The material and relevant facts, as culled from the record, are as follows:

On December 12 1995, Flores Enterprises, Inc. ("FEI"), represented by its President, herein petitioner Piad, entered into a Letter of Undertaking<sup>[4]</sup> with Aberdare Land, Inc. ("ALI"), represented by its President, Cordell Y. Guanco ("Guanco").

The said agreement allowed ALI to develop FEI's property located in Quezon Avenue, Lucena City, Quezon, which was then mortgaged with Luzon Development Bank.

According to the Letter of Undertaking, ALI would advance Five Million Pesos (P5,000,000.00) to FEI in order to enable the latter to redeem the property from Luzon Development Bank. An additional Five Million Pesos (P5,000,000.00) shall be given by ALI to FEI within thirty (30) days from the redemption of the involved property. Fifteen Million Pesos (P15,000,000.00) shall likewise be advanced by ALI to FEI upon drawdown from its financiers for the start of the development of the Joint Venture Project.

Following the letter of their agreement, ALI advanced the amounts as agreed upon.

However, after FEI successfully redeemed the property from the bank, the joint venture agreement did not materialize. Consequently, ALI demanded that FEI return the money that it had already advanced.

As partial payment thereof, petitioner Piad issued and delivered to ALI ten (10) postdated Far East and Trust Bank Co. checks, seven (7) of which are enumerated

herein as follows:

Check No.	Amount	Date
000000963	P520,000.00	June 30, 1997
000000965	P515,000.00	July 30, 1997
000000966	P512,500.00	August 15, 1997
000000967	P510,000.00	August 30, 1997
000000968	P507,500.00	September 15, 1997
000000969	P505,000.00	September 30, 1997
000000970	P502,500.00	October 15, 1997

When the aforementioned checks were all deposited to ALI's account, the same were dishonored by the bank for the reason Drawn Against Insufficient Funds ("DAIF") and Account Closed.

By reason of the dishonor of the subject checks, ALI sent a demand letter<sup>[5]</sup> to herein petitioner dated November 24, 1997, requiring the latter to settle all her obligations which amounted to Five Million Pesos (P5 million) within fifteen (15) days from receipt thereof.

After the lapse of the period as indicated in ALI's demand letter, no payment was made by the petitioner. As a consequence, on June 30, 1999, ALI, through its President, Cordell Y. Guanco, caused the filing of seven (7) Informations for violation of Batas Pambansa Blg. 22, otherwise known as the Bouncing Checks Law, against petitioner Piad with the Metropolitan Trial Court ("MeTC") of Quezon City. The criminal cases filed against the petitioner were then docketed as Criminal Cases Nos. 0077850 to 56.

The cases were later consolidated and raffled to Branch 37 of the MeTC.

On June 1, 2000, upon being arraigned of the charges against her, the petitioner entered a plea of not guilty thereto. Subsequently, a pre-trial was conducted. A trial on the merits ensued thereafter.

During the trial, the prosecution adduced in evidence the testimonies of Cordell Y. Guanco, ALI's President, and Lorenzo Elago. After the prosecution presented its evidence and rested its case, the petitioner filed a Demurrer to Evidence with Leave of Court, asserting that she could not be convicted of the offenses as charged beyond reasonable doubt on the ground that she was never notified of the fact of dishonor of the subject checks and that she did not personally receive the notice of dishonor dated November 24, 1997. Opposed by the prosecution, the Demurrer to Evidence was denied by the MeTC.

In an attempt to absolve herself from criminal liability, the petitioner denied the accusations hurled against her and presented as principal witness, Patricio Baldonasa, Operations Manager of FEI. Said witness mainly testified that FEI had already settled the amount of P5 million with ALI from the proceeds of a P14 million loan that FEI obtained from Luzon Development Bank.

After a trial on the merits, the MeTC rendered a Decision<sup>[6]</sup> dated October 18, 2012,

the dispositive portion is cited herein as follows:

"In view thereof, the aforementioned issues manifest, beyond reasonable doubt, that violations of Batas Pambansa Bilang 22 have been committed.

"The accused is hereby ordered to:

1. Pay the amount of each of the checks that were issued;
2. Pay a fine of Php200,000.00 each for checks number 000000063 (*sic*), 000000065 (*sic*), and 000000066 (*sic*);
3. Serve an imprisonment of thirty days for each of the seven checks;
4. Pay the costs of suit.

"The accused is to suffer subsidiary imprisonment in case of insolvency.

"SO ORDERED."

According to the MeTC, there were no pieces of evidence presented by the defense to counteract the claim of ALI that the checks issued by the petitioner have not been paid.

Aggrieved, the petitioner filed an Appeal<sup>[7]</sup> from the judgment of the MeTC on July 29, 2013 to the RTC stationed in Quezon City.

On September 16, 2013, the RTC rendered the assailed Decision, pertinent portions of which read to wit:

"It is undisputed that accused-appellant issued postdated checks to ALI all of which were duly signed by her. The checks issued, however, were dishonored by the drawee bank. Hence, the first and third elements are present in these cases. However, to hold accused-appellant liable for violation of BP 22, it is not enough that she issued the checks that were subsequently dishonored for insufficiency of funds and closed accounts. It must also be shown beyond reasonable doubt that she knew of insufficient funds at the time the checks were issued. This element involves a state of mind which is difficult to establish. xxx

"In order to create the *prima facie* presumption that the issuer knew of the insufficiency of funds, it must be shown that she or he receive a notice of dishonor and, within five (5) banking days thereafter failed to satisfy the amount of the check or make arrangement for its payment. (*Betty King vs. People*, 319 SCRA 654).

"xxx            xxx            xxx

"To prove the alleged notice, private complainant presented a copy of the demand letter (Exhibit 'J') as well as the registry receipt which was, however, not even authenticated. A registry receipt alone is insufficient as proof of mailing. Receipts for registered letters and return receipt do not prove themselves; they must be properly authenticated in order to serve as proof of receipt of the letters (*Ting v. CA, 344 SCRA 551*). It is clear from the foregoing that private-complainant presumed that accused-appellant received the demand letter prepared and sent by their lawyer. Private complainant in its memorandum insists that after the demand letter dated 24 November 1997 was sent to accused-appellant Piad, there had been communications with her regarding the payment of its obligations and the dishonored subject checks. In fact, they went to Lucena City and brought the subject checks and asked her to replace them but she refused to pay. To the mind of the court, the testimonies of witnesses Guanco and Elago of the prosecution do not categorically prove exactly when accused-appellant received the notice of dishonor. Hence, there is no way of determining the five (5) day period prescribed in Section 2 of BP 22 would start and end. xxx

"Even assuming that accused-appellant was properly notified of the demand letter dated 24 November 1997, still the *prima facie* presumption of knowledge of insufficiency of funds would not arise. A perusal of the demand letter would show that it was a demand to FEI obligation (*sic*) to pay in the amount of Five Million (5,000,000.00) Pesos within fifteen (15) days from receipt thereof, not a notice of the fact of dishonor of the subject checks. Without proof of notice of dishonor, knowledge of insufficiency of funds cannot be presumed and no crime whether estafa or violation of BP 22 can be deemed to exist (*People v. Ojeda, 430 SCRA 436*).

"Accused-appellant Piad's assertion that the alleged Five Million Pesos (P5,000,000.00) obligation of FEI to ALI arising out of the 12 December 1965 Letter of Undertaking (Exhibit '1') for which the subject checks (Exhibits 'A' to 'G-2-B') were issued as partial payments thereof, had been already extinguished by her prior to the institution of the criminal complaint fails to convince this court.

"As correctly pointed out by private-complainant ALI in its memorandum, accused-appellant Piad had judicially admitted in her counter-affidavit she executed during the preliminary investigation of these criminal cases that the obligation of FEI and ALI was initially Ten Million Pesos (P10,000,000.00), xxx

"xxx            xxx            xxx

"It is rather strange why after the issuance of the BPI Check No. 0429691 dated 7 May 1997 (Exhibit '11') in the amount of Five Million Pesos (P5,000,000.00) in favor of private-complainant ALI, accused-appellant Piad sent a letter acknowledging a remaining balance of Five Million Pesos (P5,000,000.00) (Exhibit '9'), if she had already settled the entire obligation. It is likewise hard to believe that if indeed accused-appellant had already paid her obligation before the filing of the complaint, why did

she not demand the return of the subject checks she issued when allegedly several meetings were had between the parties before the filing of the complaint. xxx Except for her bare allegations that she had already paid her entire obligation, which is self-serving, there is no proof that she had been released from her obligations.

"xxx            xxx            xxx

"In consonance with the foregoing ruling, the court finds that the accused-appellant is under obligation to pay private complainant for the amount covered by the checks in question. Otherwise, the accused-appellant would be enriching herself unjustly at the expense of the private complainant. Likewise, it has been held that an acquittal based on reasonable doubt that the accused committed the crime charged does not necessarily exempt him from civil liability where a mere preponderance of evidence is required (*Manahan v. CA*, 255 SCRA 202). xxx

"**WHEREFORE**, the decision of the Metropolitan Trial Court is **REVERSED** on the criminal liability and **MODIFIED** on the civil aspect. Accused-appellant is hereby **ACQUITTED** of the crimes charged on reasonable doubt on the 7 counts for violation of B.P. 22. She is ordered, however, to pay to the offended party the face value of the checks in the total amount of P3,572,500.00 with 12% legal interest per annum, from the filing of the information until the finality of the decision. If the total obligation is not satisfied, it shall further earn legal interest at the rate of twelve percent (12%) per annum computed from the finality of the decision until full payment thereof.

"**SO ORDERED.**"

The petitioner filed a Partial Motion for Reconsideration of the foregoing decision which was however denied by the RTC in an Order<sup>[8]</sup> dated March 19, 2014.

Unstirred by the foregoing disposition of the RTC, the petitioner filed the instant petition with this Court raising as errors the following acts that were purportedly committed by the RTC, to wit:

I.

THE REGIONAL TRIAL COURT ERRED IN DENYING PETITIONER'S MOTION FOR PARTIAL RECONSIDERATION ON ITS REASONING THAT THE ARGUMENTS THEREIN HAD ALREADY BEEN CONSIDERED AND PASSED UPON BY IT IN ITS SEPTEMBER 16, 2013 DECISION.

II.

THE REGIONAL TRIAL COURT ERRED IN FINDING THAT THE TOTAL OBLIGATION OF FEI TO ALI WAS TEN MILLION PESOS THERE BEING UNREFUTED EVIDENCE THAT THE TOTAL OBLIGATION OF FEI IS FIVE