

SPECIAL SEVENTEENTH DIVISION

[CA-G.R. CR No. 32463, May 28, 2010]

**ROBERTO MENDOZA, PETITIONER, VS. PEOPLE OF THE
PHILIPPINES AND SEVERINO VERGARA, RESPONDENTS.**

DECISION

Court of Appeals

The Case

When the reason for the law ceases, the law ceases. It is not the letter alone, but the spirit of the law also that gives it life.^[1] In this Petition for Review filed under Rule 42 of the Rules of Court, Roberto Mendoza ("**Mendoza**") seeks the reversal of the Decision^[2] dated January 12, 2009 of the Regional Trial Court of Calamba City, ^[3] as well as his acquittal in Criminal Case No. 35315-99, for violation of Batas Pambansa Blg. 22, entitled "*People of the Philippines, Plaintiff, versus Roberto Mendoza, Accused.*"

The Facts

In a complaint filed on December 3, 1999 before the Municipal Trial Court in Cities ("**MTCC**") of Calamba City, Severino B. Vergara ("**Vergara**") accused Mendoza of the crime of "Violation of Batas Pambansa Blg. 22" committed as follows:

"That sometime in May 1999[,], in the Municipality of Calamba, Province of Laguna and within the jurisdiction of this Honorable Court, the above-named accused, as payment for his obligation or outstanding loan to Complainant, in lieu of cash, then and there, willfully, unlawfully and feloniously issued and drew in favor of the latter a postdated Philippine Savings Bank Check No. 0007850 dated May 3, 1999 in the amount of P500,000.00, knowing fully well, at the date of issuance thereof, that he did not have sufficient funds in the bank and without informing this fact to herein Complainant.

AND, that after said check was deposited by Private Complainant with his depository bank, the check was returned to him for the reason that it was stamped 'Account Closed' and that notwithstanding ORAL AND WRITTEN demands to Accused to deposit the necessary amount with the bank to cover subject check or to change said check, he failed and refused to pay as he still fails and refuse[s] to do so, to the damage and prejudice of herein Private Complainant, SEVERINO B. VERGARA, in the total amount of FIVE HUNDRED THOUSAND PESOS, Philippine Currency.

CONTRARY TO LAW."^[4]

When arraigned on March 28, 2000, Mendoza pleaded "not guilty" of the crime charged. When he however failed to appear during the pre-trial conference on May 9, 2000, the same was terminated, and trial on the merits thereafter ensued.^[5]

The evidence for the prosecution was summarized in the Decision of the MTCC as follows:

"The prosecution presented its lone witness the private complainant, Severino Vergara, whose testimony may be summarized as follows: That in April 1998 and before the May 1998 election[s], accused issued Philippine Savings Bank check No. 0007850 dated May 3, 1999 in the amount of P500,000.00 as payment for the loan of the accused to private complainant amounting between P300,000.00 to P400,000.00. Private complainant stated that the interest of the loan was included in the sum of P500,000.00.

When the said check was presented for payment it was dishonored due to 'Account Closed'. A notice of dishonor with demand to pay dated June 15, 1999 (Records, Exhibit 'C', p. 8) was sent by private complainant, which was received by Concepcion Mendoza as evidenced by LBC Timed Delivery Contract (*Ibid.*, Exhibit 'C-1'). **Upon receipt of said notice, accused made a partial payment and left a balance of P150,000.00.** Upon the pleas of the accused, the balance of P150,000.00 was reduced by the private complainant to P90,000.00 and the former paid P20,000.00 (TSN, Severino Vergara, September 12, 2002, pp. 2-9)."^[6] (**emphasis Ours**)

In his defense, Mendoza presented the following testimony:

"For his part[,] accused testified that he borrowed an amount of P300,000.00 from the private complainant and he issued to him (private complainant) a check which contains only his (accused) signature. When accused failed to pay the private complainant, the latter suggested that he (private complainant) would get the L300 Mitsubishi FB of accused. Thereafter[,] accused signed a Deed of Absolute Sale over the said property in favor of Pablo Villa in the amount of P180,00.00. Witness stated that while they did not agree as to the payment in interest, private complainant put an interest to the loan and that was the reason why the loan amounted to P500,000.00. According to him, he made partial payments with the total amount of P225,000.00 as evidenced by a piece of paper (Records, p. 180) containing the signature of the private complainant. He stated, however, that he cannot anymore locate the original copy of said piece of paper. He denied having received the notice of dishonor sent by the private complainant (TSN, Roberto Mendoza, November 22, 2005, pp. 2-6).

On cross-examination, he testified that he obtained a loan of P300,000.00 and private complainant told him that the latter will only charge a low interest for the said loan. He denied having made partial payment of P255,000.00. According to him, his two cars were made as collaterals for the loan. One of the cars was sold and the proceed[s] of P180,000.00 was given to the private complainant. He added that the

daughter of the accused handed to him a computation showing that his balance was only P65,000.00. According to him, he talked to the private complainant after he was sent a demand letter and told the private complainant to reduce his obligation since he has already paid the private complainant the amount of P135,000.00 representing interests (TSN, Roberto Mendoza, February 6, 2007, pp. 2-3). On re-direct examination, he testified that he can no longer remember who received the demand letter since he was out of town most of the time. He added that it was the private complainant who issued and filled up the blank check that he (accused) issued to the latter (*Ibid.*, p. 4)."^[7]

On August 11, 2008, the MTCC rendered its Decision, the dispositive portion of which reads:

"WHEREFORE, in view of the foregoing, the Court hereby renders judgment in this case finding accused Roberto Mendoza **'GUILTY'** beyond reasonable doubt of Violation of Batas Pambansa Bilang 22 and accordingly sentences him to pay a Fine in the amount of P200,000.00 with subsidiary imprisonment in case of insolvency.

He is ordered to pay the private complainant the sum of Seventy Thousand Pesos as actual damage computed at Twelve (12%) Percent interest per annum from the filing of the complaint until fully paid.

SO ORDERED."^[8]

Aggrieved, Mendoza appealed the MTCC Decision to the RTC, contending in the main that he was convicted of violation of BP Blg. 22 on an incomplete and delivered check, which was completed by Vergara in abuse of authority accorded to him. Mendoza argued that the blank check only served as an additional security to his loan obligation to Vergara considering that Mendoza already secured his loan with his two (2) vehicles.^[9]

The Ruling of the RTC

On **January 12, 2009**, the RTC rendered its Decision affirming in toto the August 11, 2008 Decision of the MTCC, viz.:

"The crime charged in the information has the following essential elements, to wit: 'For violation of B.P. 22, the prosecution must prove the following essential elements: (1) the making, drawing, and issuance of any check to apply for account or for value; (2) the knowledge of the maker, drawer, or issuer that at the time of issue there are no sufficient funds in or credit with the drawee bank for the payment of such check in full upon its presentment; and (3) the subsequent dishonor of the check by the drawee bank for insufficiency of funds or credit, or dishonor for the same reason had not the drawer, without any valid cause, ordered the bank to stop payment.' (*Mejia vs. People, G.R. No. 149937, June 21, 2007*)

In the assailed decision, the trial court cited the testimonial evidence

provided by the prosecution's lone witness, namely, Severino Vergara, thus –

'The prosecution presented as its lone witness the private complainant, Severino Vergara, whose testimony may be summarized as follows: That in April 1998 and before the May 1998 election[s], accused issued Philippine Savings Bank check No. 0007850 dated May 3, 1999 in the amount of P500,000.00 as payment for the loan of the accused to private complainant amounting between P300,000.00 to P400,000.00. Private complainant stated that the interest of the loan was included in the sum of P500,000.00.

When the said check was presented for payment, it was dishonored due to 'Account Closed'. A notice of dishonor with demand to pay dated June 15, 1999 was sent be[sic] private complainant, which was received by Concepcion Mendoza as evidenced by LBC Timed Delivery Contract. Upon receipt of said notice, accused made a partial payment and left a balance of P150,000.00. Upon the pleas of the accused, the balance of P150,000.00 was reduced by the private complainant to P90,000.00 and the former paid P20,000.00.' (*vide, appealed decision, p. 297, case records*)

The lower court also cited the testimonial evidence provided by the accused, thus –

For his part[,] accused testified that he borrowed an amount of P300,000.00 from the private complainant and he issued to him (private complainant) a check which contains only his (accused) signature. When accused failed to pay the private complainant, the latter suggested that he (private complainant) would get the L300 Mitsubishi FB of accused. Thereafter[,] accused signed a Deed of Absolute Sale over the said property in favor of Pablo Villa in the amount of P180,000.00. Witness stated that while they did not agree as to the payment in interest, private complainant put an interest to the loan and that was the reason why the loan amounted to P500,000.00. According to him, he made partial payments with a total amount of P225,000.00 as evidenced by a piece of paper containing the signature of the private complainant. He stated, however, that he cannot anymore locate the original copy of said piece of paper. He denied having received the notice of dishonor sent by the private complainant.

xxx xxx xxx (*vide, appealed decision, p. 297, case records*)'

In his appeal memorandum, the accused-appellant contends that the trial court committed reversible errors because the lower court's basis in convicting the accused was an 'invalid check' which he issued to the private complainant. The accused posits the theory that when the check was delivered to the private complainant, it was mechanically incomplete and that the details in the check were supplied by the private complainant in violation of their alleged agreement. According to the accused, the check was issued as additional 'guaranty' for the loan of P300,000.00 but the private complainant charged P200,000.00 as

interest thereon, although there was no agreement in writing to pay interest, and the amount stated in the check was P500,000.00. The appellant also argues that he already made substantial payments and only P65,000.00 remains as the outstanding balance of the loan as purportedly admitted by the private complainant. However, the appellant's alleged proof of partial payment of the loan was a xerox copy of a computation, dated February 05, 2002, allegedly signed by the private complainant showing that the balance of the obligation was P65,000.00.

Notwithstanding the foregoing arguments proffered by the accused-appellant, the entirety of the evidence on record are adequate in proving each and every element of the crime charged in the information. The alleged invalidity of the check as well as the subsequent partial payment of the obligation represented by the check are not a lawful excuses or defenses to the crime defined in B.P. Blg. No. [sic] 22.

What the appellant strongly suggests is that the check should not have been presented for payment because it was allegedly in violation of a previous agreement between him and the private complainant. However, this particular defense is unavailable to the accused because the very same defense was rejected by the Supreme Court when it enunciated the following ruling, thus –

'The trial court found that petitioner issued the check as guarantee for his loan obtained from Bernardo. At the time he issued the check, he knew that his account with the PNB had been closed. When Bernardo deposited the check, it was dishonored by the PNB, the drawee bank, for the reason "account closed". Petitioner was duly notified of such dishonor. In fact, he admitted having received Bernardo's demand letter urging him to make good the check within five (5) banking days from notice. But petitioner failed to heed such demand.

Settled is the rule that factual findings of the trial court which have been affirmed in toto by the Court of Appeals are entitled to great weight and respect by this Court and will not be disturbed absent any showing that the trial court overlooked certain facts and circumstances which could substantially affect the outcome of the case. This exception is not present here.

It must be emphasized that the gravamen of the offense charge[d] is the issuance of a bad check. The purpose for which the check was issued, the terms and conditions relating to its issuance, or any agreement surrounding such issuance are irrelevant to the prosecution and conviction of petitioner. To determine the reason for which checks are issued, or the terms and conditions for their issuance, will greatly erode the faith the public reposes in the stability and commercial value of checks as currency substitutes, and bring havoc in trade and in banking communities. The clear intention of the