

## FIRST DIVISION

[ G.R. No. 172954, October 05, 2011 ]

**ENGR. JOSE E. CAYANAN, PETITIONER, VS. NORTH STAR  
INTERNATIONAL TRAVEL, INC., RESPONDENT.**

### D E C I S I O N

**VILLARAMA, JR., J.:**

Petitioner Engr. Jose E. Cayanán appeals the May 31, 2006 Decision<sup>[1]</sup> of the Court of Appeals (CA) in CA-G.R. SP No. 65538 finding him civilly liable for the value of the five checks which are the subject of Criminal Case Nos. 166549-53.

The antecedent facts are as follows:

North Star International Travel Incorporated (North Star) is a corporation engaged in the travel agency business while petitioner is the owner/general manager of JEAC International Management and Contractor Services, a recruitment agency.

On March 17,<sup>[2]</sup> 1994, Virginia Balagtas, the General Manager of North Star, in accommodation and upon the instruction of its client, petitioner herein, sent the amount of US\$60,000<sup>[3]</sup> to View Sea Ventures Ltd., in Nigeria from her personal account in Citibank Makati. On March 29, 1994, Virginia again sent US\$40,000 to View Sea Ventures by telegraphic transfer,<sup>[4]</sup> with US\$15,000 coming from petitioner. Likewise, on various dates, North Star extended credit to petitioner for the airplane tickets of his clients, with the total amount of such indebtedness under the credit extensions eventually reaching P510,035.47.<sup>[5]</sup>

To cover payment of the foregoing obligations, petitioner issued the following five checks to North Star:

Check No	:	246822
Drawn Against	:	Republic Planters Bank
Amount	:	P695,000.00
Dated/Postdated	:	May 15, 1994
Payable to	:	North Star International Travel, Inc.
Check No	:	246823
Drawn Against	:	Republic Planters Bank
Amount	:	P278,000.00
Dated/Postdated	:	May 15, 1994
Payable to	:	North Star International Travel, Inc.
Check No	:	246824
Drawn Against	:	Republic Planters Bank

Amount	:	P22,703.00
Dated/Postdated	:	May 15, 1994
Payable to	:	North Star International Travel, Inc.
Check No	:	687803
Drawn Against	:	PCIB
Amount	:	P1,500,000.00
Dated/Postdated	:	April 14, 1994
Payable to	:	North Star International Travel, Inc.
Check No	:	687804
Drawn Against	:	PCIB
Amount	:	P35,000.00
Dated/Postdated	:	April 14, 1994
Payable to	:	North Star International Travel, Inc. <sup>[6]</sup>

When presented for payment, the checks in the amount of P1,500,000 and P35,000 were dishonored for insufficiency of funds while the other three checks were dishonored because of a stop payment order from petitioner.<sup>[7]</sup> North Star, through its counsel, wrote petitioner on September 14, 1994<sup>[8]</sup> informing him that the checks he issued had been dishonored. North Star demanded payment, but petitioner failed to settle his obligations. Hence, North Star instituted Criminal Case Nos. 166549-53 charging petitioner with violation of *Batas Pambansa Blg. 22*, or the Bouncing Checks Law, before the Metropolitan Trial Court (MeTC) of Makati City.

The Informations,<sup>[9]</sup> which were similarly worded except as to the check numbers, the dates and amounts of the checks, alleged:

That on or about and during the month of March 1994 in the Municipality of Makati, Metro Manila, Philippines, a place within the jurisdiction of this Honorable Court, the above-named accused, being the authorized signatory of [JEAC] Int'l Mgt & Cont. Serv. did then and there willfully, unlawfully and feloniously make out[,] draw and issue to North Star Int'l. Travel Inc. herein rep. by Virginia D. Balagtas to apply on account or for value the checks described below:

x x x x

said accused well knowing that at the time of issue thereof, did not have sufficient funds in or credit with the drawee bank for the payment in full of the face amount of such check upon its presentment, which check when presented for payment within ninety (90) days from the date thereof was subsequently dishonored by the drawee bank for the reason PAYMENT STOPPED/DAIF and despite receipt of notice of such dishonor the accused failed to pay the payee the face amount of said check or to make arrangement for full payment thereof within five (5) banking days after receiving notice.

Contrary to law.

Upon arraignment, petitioner pleaded not guilty to the charges.

After trial, the MeTC found petitioner guilty beyond reasonable doubt of violation of B.P. 22. Thus:

WHEREFORE, finding the accused, ENGR. JOSE E. CAYANAN GUILTY beyond reasonable doubt of Violation of Batas Pambansa Blg. 22 he is hereby sentenced to suffer imprisonment of one (1) year for each of the offense committed.

Accused is likewise ordered to indemnify the complainant North Star International Travel, Inc. represented in this case by Virginia Balagtas, the sum of TWO MILLION FIVE HUNDRED THIRTY THOUSAND AND SEVEN HUNDRED THREE PESOS (P2,530,703.00) representing the total value of the checks in [question] plus FOUR HUNDRED EIGHTY[-]FOUR THOUSAND SEVENTY[-]EIGHT PESOS AND FORTY[-]TWO CENTAVOS (P484,078.42) as interest of the value of the checks subject matter of the instant case, deducting therefrom the amount of TWO HUNDRED TWENTY THOUSAND PESOS (P220,000.00) paid by the accused as interest on the value of the checks duly receipted by the complainant and marked as Exhibit "FF" of the record.

x x x x

SO ORDERED.<sup>[10]</sup>

On appeal, the Regional Trial Court (RTC) acquitted petitioner of the criminal charges. The RTC also held that there is no basis for the imposition of the civil liability on petitioner. The RTC ratiocinated that:

In the instant cases, the checks issued by the accused were presented beyond the period of NINETY (90) DAYS and therefore, there is no violation of the provision of Batas Pambansa Blg. 22 and the accused is not considered to have committed the offense. There being no offense committed, accused is not criminally liable and there would be no basis for the imposition of the civil liability arising from the offense.<sup>[11]</sup>

Aggrieved, North Star elevated the case to the CA. On May 31, 2006, the CA reversed the decision of the RTC insofar as the civil aspect is concerned and held petitioner civilly liable for the value of the subject checks. The *fallo* of the CA decision reads:

WHEREFORE, the petition is GRANTED. The assailed Decision of the RTC insofar as Cayanan's civil liability is concerned, is NULLIFIED and SET ASIDE. The indemnity awarded by the MeTC in its September 1, 1999 Decision is REINSTATED.