

SECOND DIVISION

[G.R. No. 173807, April 16, 2009]

**JAIME U. GOSIACO, PETITIONER, VS. LETICIA CHING AND
EDWIN CASTA, RESPONDENTS.**

DECISION

TINGA, J.:

The right to recover due and demandable pecuniary obligations incurred by juridical persons such as corporations cannot be impaired by procedural rules. Our rules of procedure governing the litigation of criminal actions for violation of Batas Pambansa Blg. 22 (B.P. 22) have given the appearance of impairing such substantive rights, and we take the opportunity herein to assert the necessary clarifications.

Before us is a Rule 45 petition^[1] which seeks the reversal of the Decision^[2] of the Court of Appeals in CA-GR No. 29488. The Court of Appeals' decision affirmed the decision^[3] of the Regional Trial Court of Pasig, Branch 68 in Criminal Case No. 120482. The RTC's decision reversed the decision^[4] of the Metropolitan Trial Court of San Juan, Branch 58 in Criminal Case No. 70445 which involved a charge of violation of B.P. Blg. 22 against respondents Leticia Ching (Ching) and Edwin Casta (Casta).

On 16 February 2000, petitioner Jaime Gosiaco (petitioner) invested P8,000,000.00 with ASB Holdings, Inc. (ASB) by way of loan. The money was loaned to ASB for a period of 48 days with interest at 10.5% which is equivalent to P112,000.00. In exchange, ASB through its Business Development Operation Group manager Ching, issued DBS checks no. 0009980577 and 0009980578 for P8,000,000.00 and P112,000.00 respectively. The checks, both signed by Ching, were drawn against DBS Bank Makati Head Office branch. ASB, through a letter dated 31 March 2000, acknowledged that it owed petitioner the abovementioned amounts.^[5]

Upon maturity of the ASB checks, petitioner went to the DBS Bank San Juan Branch to deposit the two (2) checks. However, upon presentment, the checks were dishonored and payments were refused because of a stop payment order and for insufficiency of funds. Petitioner informed respondents, through letters dated 6 and 10 April 2000,^[6] about the dishonor of the checks and demanded replacement checks or the return of the money placement but to no avail. Thus, petitioner filed a criminal complaint for violation of B.P. Blg. 22 before the Metropolitan Trial Court of San Juan against the private respondents.

Ching was arraigned and tried while Casta remained at large. Ching denied liability and claimed that she was a mere employee of ASB. She asserted that she did not have knowledge as to how much money ASB had in the banks. Such responsibility,

she claimed belonged to another department.

On 15 December 2000, petitioner moved^[7] that ASB and its president, Luke Roxas, be impleaded as party defendants. Petitioner, then, paid the corresponding docket fees. However, the MTC denied the motion as the case had already been submitted for final decision.^[8]

On 8 February 2001, the MTC acquitted Ching of criminal liability but it did not absolve her from civil liability. The MTC ruled that Ching, as a corporate officer of ASB, was civilly liable since she was a signatory to the checks.^[9]

Both petitioner and Ching appealed the ruling to the RTC. Petitioner appealed to the RTC on the ground that the MTC failed to hold ASB and Roxas either jointly or severally liable with Ching. On the other hand, Ching moved for a reconsideration which was subsequently denied. Thereafter, she filed her notice of appeal on the ground that she should not be held civilly liable for the bouncing checks because they were contractual obligations of ASB.

On 12 July 2005, the RTC rendered its decision sustaining Ching's appeal. The RTC affirmed the MTC's ruling which denied the motion to implead ASB and Roxas for lack of jurisdiction over their persons. The RTC also exonerated Ching from civil liability and ruled that the subject obligation fell squarely on ASB. Thus, Ching should not be held civilly liable.^[10]

Petitioner filed a petition for review with the Court of Appeals on the grounds that the RTC erred in absolving Ching from civil liability; in upholding the refusal of the MTC to implead ASB and Roxas; and in refusing to pierce the corporate veil of ASB and hold Roxas liable.

On 19 July 2006, the Court of Appeals affirmed the decision of the RTC and stated that the amount petitioner sought to recover was a loan made to ASB and not to Ching. Roxas' testimony further bolstered the fact that the checks issued by Ching were for and in behalf of ASB. The Court of Appeals ruled that ASB cannot be impleaded in a B.P. Blg. 22 case since it is not a natural person and in the case of Roxas, he was not the subject of a preliminary investigation. Lastly, the Court of Appeals ruled that there was no need to pierce the corporate veil of ASB since none of the requisites were present.^[11]

Hence this petition.

Petitioner raised the following issues: (1) is a corporate officer who signed a bouncing check civilly liable under B.P. Blg. 22; (2) can a corporation be impleaded in a B.P. Blg. 22 case; and (3) is there a basis to pierce the corporate veil of ASB?

B.P. Blg. 22 is popularly known as the Bouncing Checks Law. Section 1 of B.P. Blg. 22 provides:

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Where the check is drawn by a corporation, company or entity, the

person or persons, who actually signed the check in behalf of such drawer shall be liable under this Act.

B.P. Blg. 22 was enacted to address the rampant issuance of bouncing checks as payment for pre-existing obligations. The circulation of bouncing checks adversely affected confidence in trade and commerce. The State criminalized such practice because it was deemed injurious to public interests^[12] and was found to be pernicious and inimical to public welfare.^[13] B.P. Blg. 22 punishes the act of making and issuing bouncing checks. It is the act itself of issuing the checks which is considered *malum prohibitum*. The law is an offense against public order and not an offense against property.^[14] It penalizes the issuance of a check without regard to its purpose. It covers all types of checks.^[15] Even checks that were issued as a form of deposit or guarantee were held to be within the ambit of B.P. Blg. 22.^[16]

When a corporate officer issues a worthless check in the corporate name he may be held personally liable for violating a penal statute.^[17] The statute imposes criminal penalties on anyone who with intent to defraud another of money or property, draws or issues a check on any bank with knowledge that he has no sufficient funds in such bank to meet the check on presentment.^[18] Moreover, the personal liability of the corporate officer is predicated on the principle that he cannot shield himself from liability from his own acts on the ground that it was a corporate act and not his personal act.^[19] As we held in *Llamado v. Court of Appeals*:^[20]

Petitioner's argument that he should not be held personally liable for the amount of the check because it was a check of the Pan Asia Finance Corporation and he signed the same in his capacity as Treasurer of the corporation, is also untenable. The third paragraph of Section 1 of BP Blg. 22 states: "Where the check is drawn by a corporation, company or entity, the person or persons who actually signed the check in behalf of such drawer shall be liable under this Act."

The general rule is that a corporate officer who issues a bouncing corporate check can only be held civilly liable when he is convicted. In the recent case of *Bautista v. Auto Plus Traders Inc.*,^[21] the Court ruled decisively that the civil liability of a corporate officer in a B.P. Blg. 22 case is extinguished with the criminal liability. We are not inclined through this case to revisit so recent a precedent, and the rule of *stare decisis* precludes us to discharge Ching of any civil liability arising from the B.P. Blg. 22 case against her, on account of her acquittal in the criminal charge.

We recognize though the bind entwining the petitioner. The records clearly show that it is ASB is civilly obligated to petitioner. In the various stages of this case, petitioner has been proceeding from the premise that he is unable to pursue a separate civil action against ASB itself for the recovery of the amounts due from the subject checks. From this premise, petitioner sought to implead ASB as a defendant to the B.P. Blg. 22 case, even if such case is criminal in nature.^[22]

What supplied the notion to the petitioner that he was unable to pursue a separate civil action against ASB? He cites the Revised Rules on Criminal Procedure, particularly the provisions involving B.P. Blg. 22 cases, which state that:

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(b) The criminal action for violation of Batas Pambansa Blg. 22 shall be deemed to include the corresponding civil action. No reservation to file such civil action separately shall be allowed.

Upon filing of the aforesaid joint criminal and civil actions, the offended party shall pay in full the filing fees based on the amount of the check involved, which shall be considered as the actual damages claimed. Where the complainant or information also seeks to recover liquidated, moral, nominal, temperate or exemplary damages, the offended party shall pay the filing fees based on the amounts alleged therein. If the amounts are not so alleged but any of these damages are subsequently awarded by the court, the filing fees based on the amount awarded shall constitute a first lien on the judgment.

Where the civil action has been filed separately and trial thereof has not yet commenced, it may be consolidated with the criminal action upon application with the court trying the latter case. If the application is granted, the trial of both actions shall proceed in accordance with section 2 of this Rule governing consolidation of the civil and criminal actions.^[23]

We are unable to agree with petitioner that he is entitled to implead ASB in the B.P. Blg. 22 case, or any other corporation for that matter, even if the Rules require the joint trial of both the criminal and civil liability. A basic maxim in statutory construction is that the interpretation of penal laws is strictly construed against the State and liberally construed against the accused. Nowhere in B.P. Blg. 22 is it provided that a juridical person may be impleaded as an accused or defendant in the prosecution for violations of that law, even in the litigation of the civil aspect thereof.

Nonetheless, the substantive right of a creditor to recover due and demandable obligations against a debtor-corporation cannot be denied or diminished by a rule of procedure. Technically, nothing in Section 1(b) of Rule 11 prohibits the reservation of a separate civil action against the juridical person on whose behalf the check was issued. What the rules prohibit is the reservation of a separate civil action against the natural person charged with violating B.P. Blg. 22, including such corporate officer who had signed the bounced check.

In theory the B.P. Blg. 22 criminal liability of the person who issued the bouncing check in behalf of a corporation stands independent of the civil liability of the corporation itself, such civil liability arising from the Civil Code. B.P. Blg. 22 itself fused this criminal liability of the signer of the check in behalf of the corporation with the corresponding civil liability of the corporation itself by allowing the complainant to recover such civil liability not from the corporation, but from the person who signed the check in its behalf. Prior to the amendments to our rules on criminal procedure, it though clearly was permissible to pursue the criminal liability against the signatory, while going after the corporation itself for the civil liability.

However, with the insistence under the amended rules that the civil and criminal