

THIRD DIVISION

[G.R. No. 119178, June 20, 1997]

**LINA LIM LAO, PETITIONER, VS. COURT OF APPEALS AND
PEOPLE OF THE PHILIPPINES, RESPONDENTS.**

DECISION

PANGANIBAN, J.:

May an employee who, as part of her regular duties, signs blank corporate checks -- with the name of the payee and the amount drawn to be filled later by another signatory -- and, therefore, does so without actual knowledge of whether such checks are funded, be held criminally liable for violation of Batas Pambansa Bilang 22 (B.P. 22), when checks so signed are dishonored due to insufficiency of funds? Does a notice of dishonor sent to the main office of the corporation constitute a valid notice to the said employee who holds office in a separate branch and who had no actual knowledge thereof? In other words, is constructive knowledge of the corporation, but not of the signatory-employee, sufficient?

These are the questions raised in the petition filed on March 21, 1995 assailing the Decision^[1] of Respondent Court of Appeals^[2] promulgated on December 9, 1994 in CA-G.R. CR No. 14240 dismissing the appeal of petitioner and affirming the decision dated September 26, 1990 in Criminal Case Nos. 84-26967 to 84-26969 of the Regional Trial Court of Manila, Branch 33. The dispositive portion of the said RTC decision affirmed by the respondent appellate court reads:^[3]

"WHEREFORE, after a careful consideration of the evidence presented by the prosecution and that of the defense, the Court renders judgment as follows:

In Criminal Case No. 84-26969 where no evidence was presented by the prosecution notwithstanding the fact that there was an agreement that the cases be tried jointly and also the fact that the accused Lina Lim Lao was already arraigned, for failure of the prosecution to adduce evidence against the accused, the Court hereby declares her innocent of the crime charged and she is hereby acquitted with cost de oficio.

For Criminal Case No. 84-26967, the Court finds the accused Lina Lim Lao guilty beyond reasonable doubt of the crime charged and is hereby sentenced to suffer the penalty of ONE (1) YEAR imprisonment and to pay a fine of P150,000.00 without subsidiary imprisonment in case of insolvency.

For Criminal Case No. 84-26968, the Court finds the accused Lina Lim Lao guilty beyond reasonable doubt of the crime charged and is hereby

sentenced to suffer the penalty of ONE (1) YEAR imprisonment and to pay a fine of P150,000.00 without subsidiary imprisonment in case of of (sic) insolvency.

For the two cases the accused is ordered to pay the cost of suit.

The cash bond put up by the accused for her provisional liberty in Criminal Case No. 84-26969 where she is declared acquitted is hereby ordered cancelled (sic).

With reference to the accused Teodulo Asprec who has remained at large, in order that the cases as against him may not remain pending in the docket for an indefinite period, let the same be archived without prejudice to its subsequent prosecution as soon as said accused is finally apprehended.

Let a warrant issue for the arrest of the accused Teodulo Asprec which warrant need not be returned to this Court until the accused is finally arrested.

SO ORDERED.”

The Facts
Version of the Prosecution

The facts are not disputed. We thus lift them from the assailed Decision, as follows:

“Appellant (and now Petitioner Lina Lim Lao) was a junior officer of Premiere Investment House (Premiere) in its Binondo Branch. As such officer, she was authorized to sign checks for and in behalf of the corporation (TSN, August 16, 1990, p. 6). In the course of the business, she met complainant Father Artelijo Pelijo, the provincial treasurer of the Society of the Divine Word through Mrs. Rosemarie Lachenal, a trader for Premiere. Father Palijo was authorized to invest donations to the society and had been investing the society’s money with Premiere (TSN, June 23, 1987, pp. 5, 9-10). Father Palijo had invested a total of P514,484.04, as evidenced by the Confirmation of Sale No. 82-6994 (Exh ‘A’) dated July 8, 1993. Father Palijo was also issued Traders Royal Bank (TRB) checks in payment of interest, as follows:

Check	Date	Amount
299961	Oct. 7, 1993 (sic)	P150,000.00 (Exh. ‘B’)
299962	Oct. 7, 1983	P150,000.00 (Exh. ‘C’)
323835	Oct. 7, 1983	P 26,010.73

All the checks were issued in favor of Artelijo A. Palijo and signed by appellant (herein petitioner) and Teodulo Asprec, who was the head of operations. Further evidence of the transaction was the acknowledgment of postdated checks dated July 8, 1983 (Exh . 'D') and the cash disbursement voucher (Exh. 'F', TSN, supra, at pp. 11-16).

When Father Palijo presented the checks for encashment, the same were dishonored for the reason 'Drawn Against Insufficient Funds' (DAIF). Father Palijo immediately made demands on premiere to pay him the necessary amounts. He first went to the Binondo Branch but was referred to the Cubao Main Branch where he was able to talk with the President, Mr. Cariño. For his efforts, he was paid P5,000.00. Since no other payments followed, Father Palijo wrote Premiere a formal letter of demand. Subsequently, Premiere was placed under receivership" (TSN, supra, at pp. 16-19).^[4]

Thereafter, on January 24, 1984, Private Complainant Palijo filed an affidavit-complaint against Petitioner Lina Lim Lao and Teodulo Asprec for violation of B.P. 22. After preliminary investigation,^[5] three Informations charging Lao and Asprec with the offense defined in the first paragraph of Section 1, B.P. 22 were filed by Assistant Fiscal Felix S. Caballes before the trial court on May 11, 1984,^[6] worded as follows:

1. In Criminal Case No. 84-26967:

"That on or about October 7, 1983 in the City of Manila, Philippines, the said accused did then and there wilfully and unlawfully draw and issue to Artelijo A. Palijo to apply on account or for value a Traders Royal Bank Check No. 299962 for P150,000.00 payable to Fr. Artelijo A. Palijo dated October 7, 1983 well knowing that at the time of issue he/she did not have sufficient funds in or credit with the drawee bank for full payment of the said check upon its presentment as in fact the said check, when presented within ninety (90) days from the date thereof, was dishonored by the drawee bank for the reason: 'Insufficient Funds'; that despite notice of such dishonor, said accused failed to pay said Artelijo A. Palijo the amount of the said check or to make arrangement for full payment of the same within five (5) banking days from receipt of said notice.

CONTRARY TO LAW."

2. In Criminal Case No. 84-26968:

"That on or about October 7, 1983 in the City of Manila, Philippines, the said accused did then and there wilfully and unlawfully draw and issue to Artelijo A. Palijo to apply on account or for value a Traders Royal Bank Check No. 299961 for P150,000.00 payable to Fr. Artelijo A. Palijo dated October 7, '83 well knowing that at the time of issue he/she did not have

sufficient funds in or credit with the drawee bank for full payment of the said check upon its presentment as in fact the said check, when presented within ninety (90) days from the date thereof, was dishonored by the drawee bank for the reason: 'Insufficient Funds'; that despite notice of such dishonor, said accused failed to pay said Artelijo A. Palijo the amount of the said check or to make arrangement for full payment of the same within five (5) banking days from receipt of said notice.

CONTRARY TO LAW."

3. And finally in Criminal Case No. 84-26969:

"That on or about July 8, 1983 in the City of Manila, Philippines, the said accused did then and there wilfully and unlawfully draw and issue to Artelijo A. Palijo to apply on account for value a Traders Royal Bank Check No. 323835 for P26,010.03 payable to Fr. Artelijo A. Palijo dated October 7, 1983 well knowing that at the time of issue he/she did not have sufficient funds in or credit with the drawee bank for full payment of the said check upon its presentment as in fact the said check, when presented within ninety (90) days from the date thereof, was dishonored by the drawee bank for the reason: 'Insufficient Funds'; that despite notice of such dishonor, said accused failed to pay said Artelijo A. Palijo the amount of the said check or to make arrangement for full payment of the same within five (5) banking days from receipt of said notice.

CONTRARY TO LAW."

Upon being arraigned, petitioner assisted by counsel pleaded "not guilty." Asprec was not arrested; he has remained at large since the trial, and even now on appeal.

After due trial, the Regional Trial Court convicted Petitioner Lina Lim Lao in Criminal Case Nos. 84-26967 and 84-26968 but acquitted her in Criminal Case No. 84-26969.^[7] On appeal, the Court of Appeals affirmed the decision of the trial court.

Version of the Defense

Petitioner aptly summarized her version of the facts of the case thus:

"Petitioner Lina Lim Lao was, in 1983, an employee of Premiere Financing Corporation (hereinafter referred to as the 'Corporation'), a corporation engaged in investment management, with principal business office at Miami, Cubao, Quezon City. She was a junior officer at the corporation who was, however, assigned not at its main branch but at the corporation's extension office in (Binondo) Manila. (Ocampo, T.S.N., 16 August 1990, p. 14)

In the regular course of her duties as a junior officer, she was required to co-sign checks drawn against the account of the corporation. The other co-signor was her head of office, Mr. Teodulo Asprec. Since part of her

duties required her to be mostly in the field and out of the office, it was normal procedure for her to sign the checks in blank, that is, without the names of the payees, the amounts and the dates of maturity. It was likewise Mr. Asprec, as head of office, who alone decided to whom the checks were to be ultimately issued and delivered. (Lao, T.S.N., 28 September 1989, pp. 9-11, 17, 19.)

In signing the checks as part of her duties as junior officer of the corporation, petitioner had no knowledge of the actual funds available in the corporate account. (Lao, T.S.N., 28 September 1989, p. 21) The power, duty and responsibility of monitoring and assessing the balances against the checks issued, and funding the checks thus issued, devolved on the corporation's Treasury Department in its main office in Cubao, Quezon City, headed then by the Treasurer, Ms. Veronilyn Ocampo. (Ocampo, T.S.N., 19 July 1990, p. 4; Lao, T.S.N., 28 September 1989, pp. 21-23) All bank statements regarding the corporate checking account were likewise sent to the main branch in Cubao, Quezon City, and not in Binondo, Manila, where petitioner was holding office. (Ocampo, T.S.N., 19 July 1990, p. 24; Marqueses, T.S.N., 22 November 1988, p. 8)

The foregoing circumstances attended the issuance of the checks subject of the instant prosecution.

The checks were issued to guarantee payment of investments placed by private complainant Palijo with Premiere Financing Corporation. In his transactions with the corporation, private complainant dealt exclusively with one Rosemarie Lachenal, a trader connected with the corporation, and he never knew nor in any way dealt with petitioner Lina Lim Lao at any time before or during the issuance of the delivery of the checks. (Palijo, T.S.N., 23 June 1987, pp. 28-29, 32-34; Lao, T.S.N., 15 May 1990, p. 6; Ocampo, T.S.N., p. 5) Petitioner Lina Lim Lao was not in any way involved in the transaction which led to the issuance of the checks.

When the checks were co-signed by petitioner, they were signed in advance and in blank, delivered to the Head of Operations, Mr. Teodulo Asprec, who subsequently filled in the names of the payee, the amounts and the corresponding dates of maturity. After Mr. Asprec signed the checks, they were delivered to private complainant Palijo. (Lao, T.S.N., 28 September 1989, pp. 8-11, 17, 19; note also that the trial court in its decision fully accepted the testimony of petitioner [Decision of the Regional Trial Court, p. 12], and that the Court of Appeals affirmed said decision in toto)

Petitioner Lina Lim Lao was not in any way involved in the completion, and the subsequent delivery of the check to private complainant Palijo.

At the time petitioner signed the checks, she had no knowledge of the sufficiency or insufficiency of the funds of the corporate account. (Lao, T.S.N., 28 September 1989, p. 21) It was not within her powers, duties or responsibilities to monitor and assess the balances against the issuance; much less was it within her (duties and responsibilities) to make sure that the checks were funded. Premiere Financing Corporation