

Title: Celia M. Meriz vs. People of the Philippines

Facts:

Celia M. Meriz, a garment manufacturer, was convicted for violating Batas Pambansa (“BP”) Bilang 22, or the Bouncing Checks Law, due to checks issued that were dishonored due to insufficient funds. In her business transactions, Meriz obtained loans from Amelia Santos and Summit Financing Corporation, providing four Pilipinas Bank Checks totalizing P188,400.00 to Santos. These checks were rejected by the bank for having insufficient funds. Despite multiple warnings and a demand letter from Santos, Meriz did not settle her account. Consequently, four criminal charges for violating BP 22 were filed against Meriz before the Regional Trial Court (RTC) of Makati City. The RTC found her guilty, imposing a prison sentence and a directive to indemnify Santos. Meriz appealed to the Court of Appeals, which affirmed the RTC’s decision. Persisting, Meriz appealed to the Supreme Court, arguing a lack of consideration for the checks and improper notice of dishonor.

Issues:

1. Whether the issue of consideration is relevant for BP 22 violation.
2. Whether the legal notice of dishonor to Meriz was sufficiently rendered.
3. Whether the conviction under BP 22 should be upheld.

Court’s Decision:

1. **Issue of Consideration:** The Supreme Court reiterated its stance that BP 22 cases are concerned with the act of issuing a worthless check, not the purpose for which the checks were issued. The Court emphasized that BP 22 is intended to uphold the confidence in checks as currency substitutes, making the cause for issuing irrelevant to criminal culpability under the act.
2. **Notice of Dishonor:** The Court found that despite Meriz’s arguments, the written notices (a telegram and demand letter) sent to her sufficiently constituted legal notices of dishonor. Furthermore, her acknowledgment of liability in a response to one of these notices corroborated her awareness of the obligation. The Court underlined that exact specifications of notice content are not mandated by law, as long as it is written and communicates dishonor.
3. **Upholding the Conviction:** The Supreme Court affirmed Meriz’s conviction but modified the penalty. The Court replaced the imprisonment sentence with a fine, stating that while Meriz’s guilt was established, a fine would be a more appropriate sanction under

the circumstances.

Doctrine:

The case reinforces the doctrine that BP 22 does not concern itself with the reason for which a check is issued—whether for an obligation or as a guarantee. The essence of the offense under BP 22 is the act of issuing a worthless check. The law constitutes a policy of treating checks as equivalent to currency, which mandates trust in their value upon issuance and presentation.

Class Notes:

- **Essential Elements of BP 22 Violation:** Making, drawing, and issuing a check for account or value; knowledge of insufficient funds at the time of issuance; check is dishonored upon presentation.
- **Importance of Notice of Dishonor:** Written notice of check dishonor is sufficient for BP 22 proceedings; the contents of the notice need not follow a strict format.
- **Relevance of Consideration:** The purpose behind issuing a check, whether as payment or as security, does not affect BP 22 liability.
- **Presumption of Knowledge:** The dishonor of a check creates a prima facie presumption of the issuer's knowledge of insufficient funds, which can be rebutted by payment or arrangement for payment within five banking days after notice of dishonor.

Historical Background:

This case exemplifies the judiciary's strict interpretation of BP 22, aimed at maintaining the integrity and reliability of the banking system and the trust in checks as negotiable instruments. Such an interpretation underscores the law's intent to discourage the issuance of unfunded checks, thereby preventing harm to commerce and banking practices in the Philippines.