

****Title: People of the Philippines vs. Virginia Baby P. Montaner (G.R. No. 01162)****

****Facts:****

1. On May 17, 1996, in San Pedro, Laguna, Virginia Baby P. Montaner issued ten postdated Prudential Bank checks (Nos. 0002284 - 0002293) each amounting to PHP 5,000, totaling PHP 50,000 to Reynaldo Solis, allegedly as payment in exchange for cash.
2. Montaner assured Solis that the checks were fully funded. However, upon deposit, the checks were dishonored due to the account being closed.
3. Solis issued both verbal and formal demands for Montaner to make good on the checks, yet no payment was made.
4. Reynaldo Solis subsequently filed a complaint for estafa, supported by a sworn statement.
5. Prudential Bank's Branch Cashier Ruel Allan Pajarito confirmed that the account linked to the checks issued by Montaner was closed on July 11, 1996, and the checks were marked "account closed" and returned on October 4, 1996.
6. Montaner, during arraignment on June 10, 1998, pleaded not guilty.
7. Montaner argued that she signed the checks in blank and gave them to Marilyn Galope, who supposedly needed them for a loan. Montaner claimed that she informed Galope the checks were not funded.

****Procedural Posture:****

1. The Regional Trial Court (RTC) of San Pedro, Laguna, Branch 93 convicted Montaner on April 8, 2003, for estafa under paragraph 2(d), Article 315 of the Revised Penal Code. Montaner was sentenced to an indeterminate penalty of 12 years prision mayor to 22 years reclusion perpetua and ordered to indemnify Solis PHP 50,000.
2. Montaner appealed to the Court of Appeals, which affirmed the RTC's decision on February 12, 2008.
3. Montaner further appealed to the Supreme Court.

****Issues:****

1. Whether Montaner was guilty beyond reasonable doubt of estafa under Article 315, Paragraph 2(d) of the Revised Penal Code.
2. Whether Montaner's defenses—that she issued the checks in blank and in good faith to Galope, and that there was no transaction between her and Solis—were credible enough to exonerate her.

****Court's Decision:****

1. ****Issue of Estafa:****

- The Supreme Court confirmed that Montaner issued ten postdated checks totaling PHP 50,000, representing them as fully funded, which induced Solis to part with that amount of cash.

- The checks were dishonored due to a closed account and Montaner failed to settle the obligation post-dishonor, establishing prima facie deceit and fraudulent intent under Article 315 (2)(d).

2. **Credibility of Defenses:**

- The Court found inconsistencies and improbabilities in Montaner's defense, deeming them contrary to common observation and human experience.

- Her claim of not knowing how the checks were used was rejected, noting the improbability of her assertion given her admission of signing blank checks.

- The Supreme Court upheld the lower courts' findings that the defenses were unsubstantiated by credible evidence and that Montaner's failure to produce Galope as a corroborating witness weakened her case further.

The Supreme Court affirmed the conviction and the decision of the Court of Appeals in entirety.

Doctrine:

- **Prima facie evidence of deceit:** Under Article 315, paragraph 2(d) of the Revised Penal Code, the failure of the drawer to deposit funds within three days after receiving notice of dishonor for lack or insufficiency of funds serves as prima facie evidence of deceit and fraudulent act.

Class Notes:

- **Elements of Estafa under Article 315(2)(d) RPC:**

1. Issuance of a check in payment of an obligation at the time the check was issued.
2. Insufficiency of funds to cover the check.
3. Damage to the payee.

- Applied by demonstrating Montaner's issuance of unfunded postdated checks to Solis, the dishonor of the checks, and subsequent nonpayment causing financial damage to Solis.

Historical Background:

- Estafa cases involving check fraud became prominent with the increased use of checks for transactions during the late 20th century. The case reflects judicial efforts to address and deter financial fraud by upholding stringent evidence requirements and constructing a clear understanding of deceit and misrepresentation within financial transactions.

****Relevant Statutes:****

- ****Article 315, Revised Penal Code - Swindling (Estafa)**:**
- “By postdating a check, or issuing a check in payment of an obligation when the offender had no funds in the bank, or his funds deposited therein were not sufficient to cover the amount of the check.”
- “Failure of the drawer to deposit the amount necessary to cover his check within three (3) days from receipt of notice from the bank and/or the payee or holder...constitutes false pretense or fraudulent act.”

This case serves as a precedent on issues of issuing unfunded checks and the requisite establishment of deceit in financial fraud cases.