

### Title:

**Vaca and Nieto vs. Court of Appeals and People of the Philippines**

### Facts:

**Chronology of Events:**

1. **March 10, 1988**: Eduardo R. Vaca and Fernando Nieto issued a check for PHP 10,000.00 from China Banking Corporation (CBC) to the General Agency for Reconnaissance, Detection, and Security, Inc. (GARDS) as partial payment for security services rendered by GARDS to Ervine International, Inc. (Ervine).
2. **Post-Issuance**: The check, deposited in PCIBank, Shaw Boulevard branch, was dishonored due to insufficient funds.
3. **March 29, 1988**: GARDS issued a demand letter to Ervine requiring payment in cash within seven days. Vaca and Nieto received but did not comply with the demand.
4. **April 13, 1988**: Petitioners issued another check for PHP 19,860.16 from Associated Bank, which was stated as replacement for the dishonored check.
5. **April 14, 1988**: GARDS Operations Manager Jovito C. Cabusara filed a criminal complaint against Vaca and Nieto for violation of B.P. Blg. 22.
6. **Initial Proceedings**: The Regional Trial Court (RTC) of Quezon City (Branch 97) dismissed the case, noting the payment of the amount.
7. **September 18, 1989**: GARDS, via Acting Operations Manager Eduardo B. Alindaya, filed another complaint which resulted in the filing of an information in RTC Quezon City (Branch 100).
8. **Trial Outcome**: RTC found Vaca and Nieto guilty and sentenced them to one-year imprisonment and a fine of PHP 10,000.00 each.
9. **Appeal**: The Court of Appeals affirmed the RTC decision and denied a motion for reconsideration.
10. **Petition for Review**:
  - Contentions included alleged failure of prosecution to prove the petitioners' guilt beyond reasonable doubt, reliance on the Lao v. CA decision, and claims of mistake of fact and lack of knowledge.
  - An affidavit of desistance was submitted by GARDS President proclaiming no loss was suffered.

**Subsequent Actions Filed and Decisions:**

- Supplemental petitions invoking the Lao case and new factual representations were filed.
- Ultimately, the Supreme Court found the conviction well-founded but modified the punishment.

### Issues:

1. **Whether petitioners were guilty beyond reasonable doubt for violation of B.P. Blg. 22.**
2. **Whether the conviction was wrongly based on the alleged weaknesses of the defense instead of the strength of the prosecution's evidence.**
3. **Whether petitioners could invoke 'mistake of fact' and 'lack of knowledge' as defenses.**
4. **Whether an affidavit of desistance from the private complainant should affect the conviction.**
5. **Whether the penalty of imprisonment should be replaced by an increased fine due to mitigating circumstances.**

### Court's Decision:

1. **Guilt Beyond Reasonable Doubt**:
  - The court held that the elements of B.P. Blg. 22 were satisfied.
  - Petitioners knowingly issued a check without sufficient funds.
  - Notifications were given, and the requisite period to cover the check's amount was not met.
  - Section 2 of B.P. Blg. 22 facilitates a presumption of knowledge of insufficient funds upon the dishonor of a check.
2. **Evidence Consideration**:
  - The evidence presented sufficiently established guilt.
  - The court reinforced that the presumption rooted in §2 of B.P. Blg. 22 was not rebutted appropriately.
3. **Mistake of Fact and Lack of Knowledge**:
  - The court ruled that petitioners, holding crucial roles in the company, could not plausibly claim ignorance regarding the responsibilities and funds status.
  - The Lao case was distinguished by the factual differences such as check preparation and involvement of the accused.
4. **Affidavit of Desistance**:
  - The court dismissed the affidavit, citing the general disfavor towards such documents post-conviction and the broader public interest in maintaining banking integrity.
5. **Penalty Modification**:
  - Considering the mitigating factors like first-time offense, advanced age, decent familial

standing, and economic contributions, the penalty was modified to impose only a fine.

- Based on B.P. Blg. 22's penalty provisions, the court substituted imprisonment with a fine double the amount of the check, PHP 20,000.00 each.

### ### Doctrine:

**B.P. Blg. 22 doctrines** reiterates the presumption of knowledge upon dishonor of checks, the accountability of signatories regardless of delegation, and insists that affidavits of desistance post-conviction carry minimal weight.

### ### Class Notes:

- **Key Elements of B.P. Blg. 22**:

- Making, drawing, and issuance of a check for value.

- Knowledge of insufficient funds at issuance.

- Subsequent dishonor due to insufficient funds.

- **Relevant Provisions**:

- **Section 2**: Presumption of knowledge.

- **Section 1**: Penalty provisions allowing discretion between imprisonment and fine.

- **Case Application**: Deviations from statutory mandates must strictly be evaluated.

Ignorance of check-funding status is no defense for corporate heads.

### ### Historical Background:

The case throws light on the period's legal and economic landscape, signifying the legislature's focus on maintaining transactional integrity and bolstering the public trust in the commercial and banking systems prevalent during the late 1980s and 1990s in the Philippines.