ELIAS CIPRIANO, PETITIONER, VS. PEOPLE OF THE PHILIPPINES AND TRANSFARM AND CO., INC., RESPONDENTS.

Ponente: BARRIOS, M. M., J.

Read online (full-text search, related cases, audio case brief): https://batas.org/library/9ab4b45dd698/

BARRIOS, M. M., J.:

This is a Petition for Review under Rule 42 of the Rules of Court assailing the Joint Decision[1] dated 26 August 2010 of the Regional Trial Court, Branch 214, Mandaluyong City (RTC) in SCA Nos. MC-09-786-A to MC-09-817-A that sustained the award of civil liability against petitioner for the face value of the dishonored checks.

Also assailed is RTC's Joint Order[2] dated 03 November 2011 denying petitioner's motion for reconsideration.

THE FACTS

In December 1994, Daewoo Cars-Quezon Avenue (DQA), a local car sales company, purchased thirty-four (34) units of Daewoo cars from private respondent Transfarm & Co., Inc. - the exclusive distributor of said vehicles in the Philippines - for the aggregate amount of Php11,469,500.00.

Simultaneous with the release and delivery of said cars, petitioner Elias S. Cipriano and Emilie R. Hartendorp, as President and Vice President for Sales and Marketing, respectively, of DQA jointly issued thirty-four (34) Union Bank of the Philippines checks – all postdated 31 March 1996 – in the total amount of P11,469,500.00 to private respondent representing the complete payment for the Daewoo cars. However, when presented for payment, only Check No. 43427 in the amount of P303,000.00 was cleared, while the rest of the checks were dishonored for the reason “Payment Stopped or Drawn Against Insufficient Funds”. Resultantly, private respondent sent a letter dated 17 October 1996 to petitioner and Hartendorp demanding that they make good the value of the bounced checks, but the same was not heeded.

Thus, private respondent instituted a criminal complaint for Violation of Batas Pambansa (BP) Blg. 22 (the Bouncing Checks Law) against petitioner and Hartendorp before the Prosecutor's Office of Mandaluyong City. After finding probable cause, separate Informations corresponding to the dishonored checks were lodged against petitioner and Hartendorp before the Metropolitan Trial Court, Branch 60, Mandaluyong City, and to which they pleaded not guilty.

After trial, the lower court rendered a Decision dated 24 August 2009 acquitting petitioner and Hartendorp of the offense charged for failure of the prosecution to prove the element of knowledge of insufficiency of funds on their part as issuers of the subject checks as there was no credible proof of notice of dishonor thereof. Nonetheless, both petitioner and Hartendorp were held civilly liable to private respondent for the amount of the dishonored checks. The dispositive portion reads:

> “x. x. x.
>
> WHEREFORE, for failure of the prosecution to prove the criminal aspect of these cases by proof beyond reasonable doubt, judgment is hereby rendered ACQUITTING accused ELIAS S. CIPRIANO and EMILIE R.

> HARTENDORP for Violation of Batas Pambansa Bilang 22.
>
> The Prosecution having established the civil liability of the herein accused, both accused are hereby ordered to pay jointly and solidarily the private complainant the face value of the thirty (33) checks all in the total amount of Eleven Million One Hundred Sixty Six Thousand Five Hundred (P11,166,500.00) Pesos."

Petitioner and Hartendorp appealed the civil aspect of the case before the RTC. They argued that their acquittal from the criminal charges for Violation of BP 22 carried with it their exculpation from civil liability. They also assert that the trial court gravely erred in adjudging them civilly liable to private respondent for the value of subject checks because the factual and legal bases from which such obligation emanate were not established. It was not them who, in their own right, purchased the Daewoo cars, and neither did they obligate themselves to personally pay the price thereof. It was contended that their issuance of the subject checks was made in behalf of or in representation of DQA which was the true buyer of the aforesaid Daewoo cars. Hence, they cannot be held personally liable for the transaction of the company since they merely acted in their official capacities as corporate officers thereof; and in the absence of proof that they used the corporate fiction to perpetuate fraud or other illegal acts, it should be DQA which is responsible to pay the value of the bounced checks.

On 26 August 2010, the RTC rendered a Joint Decision sustaining the decision of the trial court and denying both appeals. It opined that petitioner and Hartendorp's acquittal for Violation of BP 22 did not exculpate them from the obligation of paying private respondent the value of subject dishonored checks since the basis for their issuance was sufficiently proven by the prosecution. It also held that petitioner and Hartendorp's act of knowingly issuing the dishonored checks made them civilly liable, even though they only acted as representatives of the company.

Petitioner and Hartendorp moved to reconsider, but the same was denied by the RTC in the now assailed Joint Order dated 03 November 2011 for lack of merit.

Only petitioner filed the instant petition, interposing the following assignment of errors:

> **I.**
>
> THE APPELLATE COURT ERRED AND COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OF JURISDICTION IN FINDING PETITIONER CIVILLY LIABLE CONSIDERING THAT RESPONDENT FAILED TO ESTABLISH EXISTENCE OF FACTS UPON WHICH CIVIL LIABILITY MAY ARISE;
>
> **II.**
>
> THE APPELLATE COURT ERRED AND COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OF JURISDICTION IN FINDING PETITIONER CIVILLY LIABLE CONSIDERING THAT HE HAS NOT RECEIVED ANY DEMAND LETTER FROM RESPONDENT AND IS, RESULTANTLY, NOT IN ANY CONTRACT DEFAULT;
>
> **III.**
>
> THE APPELLATE COURT ERRED AND COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OF JURISDICTION IN NOT HOLDING THAT CIVIL LIABILITIES OF PETITIONER SHOULD BE STAYED CONSIDERING THAT DAEWOO CARS QUEZON CITY, INC, AGAINST WHICH ACCOUNT THE ALLEGED BOUNCED CHECKS WERE DRAWN, HAS UNDERGONE JURIDICAL (sic) INSOLVENCY PROCEEDINGS; AND

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

IV.

THE APPELLATE COURT ERRED AND COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OF JURISDICTION IN HOLDING PETITIONER PERSONALLY AND CIVILLY LIABLE FOR BOUNCED COMPANY CHECKS, AFTER HE WAS ACQUITTED OF THE CRIMINAL LIABILITIES FOR BP22, CONSIDERING THAT THE CHECKS WERE ISSUED IN PAYMENT OF COMPANY OBLIGATIONS, NOT PERSONAL OBLIGATIONS OF PETITIONER.

THE RULING

The petition is devoid of merit.

Settled is the rule that the extinction of penal action does not necessarily carry with it the extinction of the civil action, whether the latter is filed with or separately from the criminal action.[3] In case of acquittal, the offended party may still claim civil liability ex delicto where: (a) acquittal is based on a reasonable doubt as only preponderance of evidence is required; (b) the court declares that the liability of the accused is only civil; and (c) the civil liability of the accused does not arise from or is not based upon the crime of which the accused was acquitted.[4] A civil action based on delict may be extinguished if there is a finding on the final judgment in the criminal suit that the act or omission from which civil liability may arise did not exist.[5]

In the case at bench, the acquittal of petitioner (and Hartendorp) from the criminal charges for Violation of BP 22 by the trial court is premised on the prosecution's failure to prove all the elements for said crime. Specifically, there was a finding that petitioner (and Hartendorp), being the drawers of the subject checks, were not duly notified of the dishonor of the same within the period as required by law. Hence, the factual element that they should have knowledge of the insufficiency of funds with the drawee bank to cover for the value thereof has not been established.

However, contrary to petitioner's assertion, the fact of his acquittal from the criminal charges did not necessarily exculpate him from civil liability that arose from the issuance of the dishonored checks. It is indubitable that the transaction which gave rise to the issuance of subject bounced checks was sufficiently established. Prosecution witness and then private respondent's Manager – Elizabeth Wenceslao - testified[6] that in December 1994, DQA – through petitioner (and Hartendorp) - purchased from them thirty-four (34) units of Daewoo cars for P11,469,500.00. It was petitioner [and Hartendorp] - as the President [and Vice President for Sales and Marketing, respectively], of DQA who transacted with private respondent Transfarm and Co., Inc. and issued to the latter thirty-four (34) postdated checks covering the price of said cars as payment thereof. However, except for one, all of the checks were later dishonored by the drawee bank for lack of sufficient funds. Notably, such dishonored checks - which were duly authenticated by the Philippine Clearing House - were presented and identified in the lower court by prosecution witness Magtanggol Caedo, a former bank officer. Indeed, petitioner (and Hartendorp) did not deny nor refute private respondent's claim that the said Daewoo cars were actually delivered to DQA. Clearly, the finding that petitioner (and Hartendorp) did not have knowledge of insufficiency of funds of subject bounced checks effectively absolved them from criminal liability under BP Blg. 22, but certainly, this fact did not diminish nor affect their issuance of the dishonored checks for which they should be made civilly liable.

Moreover, We do not agree with petitioner's position that he is not civilly liable for the value of the subject checks nor for the price of the Daewoo cars purchased because he acted only as corporate representative of DQA in the absence of proof that he used the corporate fiction to commit fraud or other illegal acts. He, thus, points to DQA as the true buyer of the Daewoo cars and which should be held liable for the unpaid purchase price.

Study hands-free: podcast-style lessons with read-along highlighting - batas.org

Section 1 of BP 22[7] expressly imposes upon the corporate officer who issued the bounced check in behalf of the company the obligation of paying for the value thereof. Such rule was amplified by the Supreme Court in the case of Mitra v. People of the Philippines,[8] viz:

> "x. x. x.
>
> Mitra (accused) posits in this petition that before the signatory to a bouncing corporate check can be held liable, all the elements of the crime of violation of BP 22 must first be proven against the corporation. The corporation must first be declared to have committed the violation before the liability attaches to the signatories of the checks.
>
> The Court finds Itself unable to agree with Mitra's posture. The third paragraph of Section 1 of BP 22 reads: "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." This provision recognizes the reality that a corporation can only act through its officers. Hence, its wording is unequivocal and mandatory — that the person who actually signed the corporate check shall be held liable for a violation of BP 22. This provision does not contain any condition, qualification or limitation.

From the foregoing pronouncement, it is clear that the corporate officer who issued a worthless check in behalf of the company is liable under BP Blg. 22.

In any event, responsibility under BP Blg. 22 is personal to the accused, and Section 1 of said law is explicit that the person who actually signed the bad check is liable therefor. Personal liability of a corporate officer is predicated on the principle that he could not shield himself from liability from his own acts on the ground that it was a corporate act, and not his personal act.[9] Furthermore, it is conceded that the civil aspect is deemed instituted with the criminal case. Thus, to require the offended party to file a civil action against the corporation for the amount of the dishonored check would only lead to multiplicity of suits. Certainly, petitioner cannot escape civil liability by simply invoking the separate juridical personality of DQA in the purchase of Daewoo cars.

Furthermore, petitioner's reliance of Article 1169[10] of the Civil Code in that a demand is necessary to render him civilly liable for the value of subject checks is misplaced. In this regard, We agree with the ruling of the RTC that said provision does not apply to the present situation since it contemplates of an obligation arising from a contract, while the civil liability under consideration is an obligation arising from a criminal act or delict. Verily, the fact that petitioner's receipt of the notice of dishonor was not sufficiently proven is immaterial in this case since the civil liability being sought by private respondent does not emanate from a contractual source.

WHEREFORE, the foregoing considered, the petition is DENIED. The Joint Decision dated 26 August 2010 and Joint Order dated 03 November 2011 of the Regional Trial Court, Branch 214, Mandaluyong City are SUSTAINED.

SO ORDERED.

Reyes, Jr., (Chairperson) and Pizarro, JJ., concur.

---

[1] Rollo, pp. 17 – 21.

[2] Id., pp. 15 – 16.

[3] Co vs. Munoz, Jr., G.R. No. 181986, December 4, 2013.

Turn this case into an audio lecture - facts, issues, ruling and doctrine - at batas.org

[4] Alferez vs. People of the Philippines, G.R. No. 182301, January 31, 2011.

[5] Park vs. Won Choi, G.R. No. 165496, February 12, 2007.

[6] As culled from the MTC Joint Decision dated August 24, 2009, Rollo, p. 25.

[7] Section 1. Checks without sufficient funds. - X. X. X.

> X. X. X. 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.

[8] G.R. No. 191404, July 5, 2010.

[9] Gosiaco vs. Ching, G.R. No. 173807, April 16, 2009.

[10] Article 1169. Those obliged to deliver or to do something incur in delay from the time the obligee judicially or extrajudicially demands from them the fulfillment of their obligation.

X. X. X.

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at https://batas.org

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.