

TERESITA M. TORRES, PETITIONER, VS. GILBERT PANABANG AND PEOPLE OF THE PHILIPPINES, RESPONDENTS.

Ponente: CARANDANG, J.

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CARANDANG, J.:

This is a Petition for Review under Rule 42 of the Rules of Court challenging the Decision[1] of the Regional Trial Court of Makati City, Branch 148, in Criminal Case No. 12-1228, which affirmed with modification the May 2, 2012 Decision[2] of the Metropolitan Trial Court of Makati City, Branch 65, in Criminal Case No. 359258, acquitting petitioner Teresita M. Torres for violation of Batas Pambansa Blg. 22 but holding her civilly liable to pay private respondent Gilbert Panabang the amount of P1,000,00.00, plus interests and the costs of the suit.

The factual and procedural antecedents, as disclosed by the record, are hereunder set forth.

On July 18, 2008, private respondent Gilbert Panabang (Panabang), Isles Cielito Dizon, and Antonio Torres (Antonio), the husband of petitioner Teresita M. Torres (Torres), entered into a “KASUNDUAN”[3] for the purchase of scrap iron owned by a certain Mrs. Sevilla for P10,300,000.00. The agreement provides, among others, that they shall each contribute P1,000,000.00 to cover the initial payment of P3,000,000.00. Upon request, Panabang advanced and paid the P1,000,000.00 share of Antonio. In turn and as payment thereof, Antonio gave Panabang a check[4] with a face value of P1,000,000.00 which his wife, herein petitioner Torres, issued and drawn from her own checking account at United Coconut Planter's Bank Marvin Plaza branch, Makati City. Subsequently, Panabang presented the check for payment but it was dishonored for having been Drawn Against Insufficient Funds (DAIF). As a consequence thereof, Panabang made several demands to Torres for her to pay the value of the check but Torres refused to pay. With the refusal of Torres to pay the face value of the check she issued, Panabang filed a Complaint[5] against Torres before the City Prosecutor's Office of Makati City, which subsequently lodged an Information for violation of Batas Pambansa Blg. 22, otherwise as the Bouncing Checks Law, against Torres before the Metropolitan Trial Court (MeTC), Branch 65, Makati City, where it was docketed as Criminal Case No. 359258.

After the prosecution rested its case, Torres, instead of presenting her defense, opted to file a Demurrer to Evidence[6] on the ground that the evidence adduced by the prosecution were insufficient to sustain her conviction beyond reasonable doubt. On January 3, 2012, the MeTC issued an Order[7] granting the demurrer and acquitting Torres for violation of the Bouncing Checks Law on the ground that the prosecution failed to prove that she received a written notice of dishonor. It was not, however, a clear-cut victory for Torres since in the subsequent Decision of the MeTC dated May 9, 2012 pertaining to the civil aspect of the case, she was adjudged to pay Panabang the amount of P1,000,000.00 plus legal interest rate of six percent (6%) per annum and the costs of the suit. The MeTC rendered its Decision after Torres filed a Manifestation that she will no longer present evidence on the civil aspect of the case and prayed that the same be submitted for resolution.

Not satisfied with the Decision of the MeTC, Torres appealed to the Regional Trial Court of Makati City, Branch 148, and claimed that the MeTC erred in finding her civilly liable. On October 23, 2012, the RTC rendered its

Decision affirming with modification the Decision of the MeTC by deleting the award of attorney's fees. Torres filed a Motion for Partial Reconsideration[8] of the said Decision but the same was denied by the RTC in its Order dated January 29, 2013.[9]

Undaunted, Torres is now before Us assailing the judgment of the RTC on the ground that –

I. THE HONORABLE RTC AND MTC (hereinafter, the “LOWER COURTS”) GRAVELY ERRED IN HOLDING THAT THE PETITIONER IS LIABLE FOR CIVIL DAMAGES TO PRIVATE RESPONDENT.

THE HONORABLE RTC GRAVELY ERRED WHEN IT AFFIRMED THE MTC'S DECISION INsofar AS IT ORDERED PETITIONER TO PAY FOR THE COSTS OF THE SUIT.

We find the petition bereft of merit.

It is a settled rule in our jurisdiction is that an acquittal does not necessarily carry with it the extinguishment of the civil liability of the accused.[10] As enunciated by the Supreme Court in *Salazar vs. People*,[11] the acquittal of the accused will not bar a judgment against him on the civil aspect of the criminal case where: (a) the acquittal is based on reasonable doubt; (b) the court declared that the liability of the accused is only civil; (c) the civil liability of the accused does not arise from or is not based upon the crime of which the accused is acquitted. The civil liability of the accused will only be extinguished if there is a finding in the final judgment in the criminal action that the act or omission from which the civil liability may arise did not exist or where the accused did not commit the act or omission imputed to him.

Herein, a reading of the Resolution of the MeTC granting the Demurrer to Evidence of petitioner clearly shows that petitioner's acquittal was based on reasonable doubt and not on the finding that the act or omission from which the civil liability may arise did not exist or where the accused did not commit the act or omission imputed to her. This can be easily inferred from disposition of the MeTC when it ruled that the prosecution failed to satisfactorily establish the fact of notice of dishonor. Verily then, her acquittal did not operate to bar private respondent Panabang's recovery of civil indemnity.

The question now lies as to whether petitioner could be held civilly liable to private respondent Panabang for the value of the check.

Petitioner argues that both the MeTC and the RTC erred in holding her civilly liable to respondent Panabang for the value of the checks. She insists that she is not liable to pay private respondent Panabang since there was no privity between her and Panabang. She points out that she was not a party to the “Kasunduan” between Panabang, Dizon, her husband. She likewise asserts that she did not receive any valuable consideration for the issuance of the check as she merely gave to check to her husband and the latter's business partner. And even granting that she is liable, petitioner argues that the obligation to pay is not yet due and demandable because of lack of demand.

Petitioner's arguments are not persuasive.

Despite not being a party to the business venture of private respondent Panabang, Dizon and her husband; despite having no privity of transaction with private respondent Panabang; and despite not receiving valuable consideration for issuing the check, petitioner is still solidarily liable with her husband to pay Panabang the value of the check. That is because the facts and circumstances of the case clearly show that petitioner is what Section 29 of the Negotiable Instrument Law calls an accommodation party.

Section 29 of the Negotiable Instruments Law defines an accommodation party as a person "who has signed the instrument as maker, drawer, acceptor, or indorser, without receiving value therefor, and for the purpose of lending his name to some other person." As gleaned from the text, an accommodation party is one who meets all

the three requisites, viz: (1) he must be a party to the instrument, signing as maker, drawer, acceptor, or indorser; (2) he must not receive value therefor; and (3) he must sign for the purpose of lending his name or credit to some other person.[12] An accommodation party lends his name to enable the accommodated party to obtain credit or to raise money; he receives no part of the consideration for the instrument but assumes liability to the other party/ies thereto.[13] All these elements are present in this case. Indisputably, petitioner was the one who issued the check and, as she herself admitted, did not receive any valuable consideration therefor. There can also be no dispute that she issued the check for the purpose of enabling her husband to obtain credit or to pay for the share of her husband in the business venture which Panabang had advanced. This can be inferred from her admission in her petition that she issued the check and gave it to her husband and to his business partners.[14]

As an accommodation party, petitioner's liability to pay private respondent Panabang the amount of the P1,000,000.00 is immediate, primary and absolute. As elaborated in *Ang vs. Associated Bank*: [15]

“As petitioner acknowledged it to be, the relation between an accommodation party and the accommodated party is one of principal and surety—the accommodation party being the surety. As such, he is deemed an original promisor and debtor from the beginning; he is considered in law as the same party as the debtor in relation to whatever is adjudged touching the obligation of the latter since their liabilities are interwoven as to be inseparable. Although a contract of suretyship is in essence accessory or collateral to a valid principal obligation, the surety's liability to the creditor is immediate, primary and absolute; he is directly and equally bound with the principal. As an equivalent of a regular party to the undertaking, a surety becomes liable to the debt and duty of the principal obligor even without possessing a direct or personal interest in the obligations nor does he receive any benefit therefrom.”

The mere fact, therefore, that petitioner issued her own check to private respondent Panabang although no privity of transaction between them and that petitioner did not receive any valuable consideration for the issuance of her check will not absolve her from being liable to pay the value of the check she issued. It is very clear that petitioner issued the check for the account of her husband, and therefore, for value, for which she is liable civilly.

On the claim of petitioner that her obligation to pay has not yet become due and demandable due to the lack of demand, while there may have been an invalid demand as found by the MeTC, the filing of the Complaint is equivalent to demand, in keeping with the rule that the filing of a complaint constitutes judicial demand,[16] specially so in this case where the civil action for the recovery of the amount of the dishonored check is impliedly instituted in the criminal action for violation of B.P. 22 and no reservation to file such civil action separately shall be allowed.[17]

Finally, We sustain the award of reimbursement of the fees incurred by private respondent Panabang in filing the case. Contrary to the view of petitioner that private respondent is not entitled to be reimbursed of the lawful fees paid by him in filing the case, it is unmistakably clear that it is one of the enumerated items that may be recovered as costs by a prevailing party against a losing party in an action or proceeding in the Metropolitan Trial Court under section 9(i) of Rule 142 of the Rules of Court which We quote:

“Section 9. Cost in municipal or city courts. — In an action or proceeding pending before a municipal or city judge, the prevailing party may recover the following cost, and no other:

(a) x x x . . .

x x x . . .

(i) The lawful fees charged against him by the judge of the court in entering and docketing and trying the action or proceeding.” (Emphasis supplied).

WHEREFORE, in view of the foregoing considerations, the petition is DISMISSED for lack of merit.

SO ORDERED.

C E R T I F I C A T I O N

Pursuant to Article VIII, Section 13 of the Constitution, it is hereby certified that the conclusions in the above Decision were reached in consultation before the case was assigned to the writer of the opinion of the Court.

Gonzales-Sison and Sorongon, JJ., concur.

[1] Rollo, pp. 31-35.

[2] Rollo, pp. 26-30

[3] Rollo, p. 40.

[4] UCPB Check No. 0174240 dated August 3, 2008 under the account of petitioner Teresita M. Torres, Rollo, p. 42.

[5] Sinumpaang Pagreklamo, Rollo, pp. 37-39.

[6] Rollo, pp. 63-75.

[7] Rollo, pp. 77-79.

[8] Motion for Partial Reconsideration, Rollo, pp. 139-146.

[9] Rollo, p. 36.

[10] Section 2(b), Rule 111, Rules of Criminal Procedure.

[11] 458 Phil. 504.

[12] Lim vs. Saban, G.R. No. 163720, December 16, 2004.

[13] Ang vs. Associated Bank, G.R. No. 146511, September 5, 2007.

[14] Paragraph 3.1 of petitioner's Petition, Rollo, p. 14.

[15] G.R. No. 146511, September 5, 2007.

[16] Insular Investment and Trust Corp. vs. Capital Ones Equities Corp., G.R. No. 183308, April 25, 2012.

[17] Section 1(b) of Rule 111 of the 2000 Rules on Criminal Procedure.

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