

FELIPA B. CUEME, PETITIONER, VS. PEOPLE OF THE PHILIPPINES, RESPONDENT.

G.R. No. 133325. June 30, 2000

Ponente: BELLOSILLO, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-133325/>

BELLOSILLO, J.:

FELIPA B. CUEME assails in this petition for review the Decision of the Court of Appeals promulgated 22 October 1997 which affirmed the decision of the trial court finding her guilty of fifteen (15) violations of Batas Pambansa Blg. 22 (Bouncing Checks Law), sentencing her to six (6) months imprisonment and fine for each violation, and ordering her to pay the complaining witness the face value of the dishonored checks with legal interest.[1]

Helen Simolde was a bank teller of the Bank of the Philippine Islands (BPI), Makati Branch.[2] One of the bank's clients was petitioner Felipa B. Cueme, General Manager of Mark-Agro Trading Corporation and AMF General Trading Corporation engaged in the trading of cacao in Davao and Manila.[3] Since both Simolde and Cueme hail from Davao they became friends and soon Simolde started lending money to Cueme for which Cueme would issue post-dated crossed checks to Simolde covering the amounts lent plus interests.[4] As recorded, their transactions were -

DATE S OF CHECKS AMOUNTS LENT
BY SIMOLDE FAVE VALUE CHECKS BPI CHECK S
NOS.

7 Feb. 1990 P 25,000.00 P 27,000.00 647647[5]

12 Feb. 1990 175,000.00 189,000.00 647626[6]

17 Feb. 1990 175,000.00 189,000.00 356891[7]

21 Feb. 1990 100,000.00 108,000.00 356892[8]

3 Mar. 1990 25,000.00 27,000.00 356941[9]

6 Mar. 1990 25,000.00 27,000.00 356942[10]

8 Mar. 1990 ----- 696,000.00 356942[11]

10 Mar. 1990 135,000.00 155,000.00 647700[12]

12 Mar. 1990 50,000.00 54,000.00 356915[13]

12 Mar. 1990 50,000.00 55,000.00 356943[14]

14 Mar. 1990 200,000.00 220,000.00 356944[15]

14 Mar. 1990 75,000.00 82,500.00 356945[16]

15 Mar. 1990 130,000.00 145,000.00 356946[17]

16 Mar. 1990 350,000.00 385,000.00 356947[18]

24 Mar. 1990 27,500.00 27,500.00 356948[19]

Each of these checks was drawn against the deposit accounts of Mark-Agro Trading Corporation at BPI.

On several occasions Cueme somehow persuaded Simolde not to deposit the checks as issued. But on 9 May 1990 Simolde finally deposited all the checks[20] in her BPI-Makati account which, however, were dishonored for being "drawn against insufficient funds" (DAIF). Simolde immediately informed Cueme about the dishonored checks and repeatedly demanded payment but to no avail. Apparently Cueme had no intention of making good any of those checks.

Petitioner Felipa B. Cueme however had a different story when she took the witness stand. She disputed Simolde's claim that she borrowed money from her. She contended that the sums petitioner received were not Simolde's but those of the investors of Mark-Agro Trading Corporation. She likewise denied having issued the subject checks to Simolde alleging instead that it was Simolde who procured the pre-signed blank checks from petitioner's secretary, Leonora Gabuan, and thereafter entered the dates, names and amounts in each of the checks only for the purpose of showing them to prospective investors of Mark-Agro Trading Corporation.

Leonora Gabuan corroborated petitioner's version. Gabuan testified that she knew petitioner and complaining witness to be very close to each other like sisters;[21] that sometime in March 1990 she had with her pre-signed checks entrusted by petitioner who was then in Davao for the payment of telephone and electric bills, payroll and petty cash;[22] that Simolde approached her and asked for checks purportedly to be shown to potential investors but she refused knowing that she was not authorized to use them for any purpose other than that for which they were intended;[23] that upon Simolde's insistence however she eventually relented and handed over to Simolde the requested checks;[24] that the following day Simolde requested her to fill up three (3) blank checks to which she complied but she told Simolde that those checks were not funded yet and that Simolde would be paid as soon as they had the money.

As stated earlier, the trial court found petitioner guilty as charged and sentenced her to a uniform prison term of six (6) months in each of the fifteen (15) cases plus a fine of P27,000.00 in Crim. Case No. 92-5626, P189,000.00 in Crim. Case No. 92-5625, P189,000.00 in Crim. Case No. 92-5621, P108,000.00 in Crim. Case No. 92-5622, P27,000.00 in Crim. Case No. 92-5613, P27,000.00 in Crim. Case No. 92-5612, P200,000.00 in Crim. Case No. 92-5624, P155,000.00 in Crim. Case No. 92-5627, P54,000.00 in Crim. Case No. 92-5614, P55,000.00 in Crim. Case No. 92-5615, P220,000.00 in Crim. Case No. 92-5616, P82,500.00 in Crim. Case No. 92-5617, P145,000.00 in Crim. Case No. 92-5618, P200,000.00 in Crim. Case No. 92-5619, and P27,500.00 in Crim. Case No. 92-5620.[25]

On appeal, the Court of Appeals affirmed with modification the trial court's decision -

The judgment of the court a quo finding the appellant guilty as charged is hereby affirmed. However, the penalty imposed in Criminal Case No. 92-5616, where the accused was sentenced to a fine of P220,000.00 in addition to six (6) months imprisonment must be modified.

Section 1 of B.P. Blg. 22 provides that the fine to be imposed against the accused shall be "not less than but not more than double the amount of the check which fine shall in no case exceed Two Hundred Thousand Pesos x x x x. "

In Criminal Case No. 92-5616, the accused issued Check No. 356944 with a face value of P220,000.00. Consequently, the fine imposed against the accused must be reduced to the maximum amount of Two Hundred

Thousand Pesos (P200,000.00) only.

Her motion for reconsideration having been denied by the Court of Appeals, petitioner now entreats us to reverse her conviction contending that, first, she did not issue the checks in question as she merely signed them in blank; second, it was complainant who procured the checks from petitioner's secretary, made the corresponding entries therein, and thereafter deposited them in her account; and third, the checks were not issued for value or consideration as they were merely intended to be shown to would-be investors of Mark-Agro Trading Corporation, and not to be encashed or deposited in the bank.

After a thorough review of the records we find petitioner's conviction for violations of B.P. Blg. 22 well-founded. B.P. Blg. 22 was purposely enacted to prevent the proliferation of worthless checks in the mainstream of daily business and to avert not only the undermining of the banking system of the country but also the infliction of damage and injury upon trade and commerce occasioned by the indiscriminate issuances of such checks. By its very nature, the offenses defined under B.P. Blg. 22 are against public interest. Thus in *Lozano v. Martinez*[26] we held -

The effects of the issuance of a worthless check transcend (sic) the private interests of the parties directly involved in the transaction and touch (sic) the interest of the community at large. The mischief it creates is not only a wrong to the payee and holder but also an injury to the public. The harmful practice of putting valueless commercial papers in circulation, multiplied a thousand fold, can very well pollute the channels of trade and commerce, injure the banking system and eventually hurt the welfare of society and the public interest.

There are two (2) ways of violating B.P. Blg. 22: (a) by making or drawing and issuing a check to apply on account or for value knowing at the time of issue that the check is not sufficiently funded; and, (b) by having sufficient funds in or credit with the drawee bank but failing to keep sufficient funds or to maintain a credit to cover the full amount of the check when presented to the drawee bank within a period of ninety (90) days.[27] Petitioner was convicted under the first type of violation.

Whether petitioner indeed issued the disputed checks to complainant in payment of outstanding obligations, or whether it was complainant who procured the checks from petitioner's secretary only to be shown to potential investors is a factual question involving as it does the credibility of witnesses. It is well-settled that where the issue is the credibility of witnesses the appellate court will not generally disturb the findings of the lower court considering that it is in a better position to settle that issue. Verily, the trial court has the advantage of hearing the witnesses and observing their conduct during the trial, which circumstances carry great weight in assessing their credibility. We see no reason to overturn the decisions of the trial court and the Court of Appeals in giving credence to the testimony of complainant. The testimony of a lone witness when credible and trustworthy, as in this case, is sufficient to convict.[28]

The claim of petitioner that she merely signed the checks in blank is belied by the fact that some of the checks even bore her signatures at the back suggesting that the checks had been indorsed by her, while others containing alterations in the entries were properly countersigned by her.[29] These circumstances could only mean that the checks were issued either by petitioner herself or at her instance.

Significantly, during the preliminary investigation, petitioner Cueme and her witness Leonora Gabuan submitted their Counter-Affidavit[30] and Affidavit, respectively.[31] Petitioner categorically stated in her Counter-Affidavit that she issued the checks in question to complainant for purposes of showing them to various potential investors. On her part, Leonora Gabuan alleged in her Affidavit that she was instructed by petitioner to deliver the checks to the complainant. Their admissions in their affidavits clearly contradicted their testimonies during the trial when they both denied that the checks were issued to complaining witness. Their explanations,

i.e., that they were in a hurry when they signed the affidavits and that they did not understand their contents because they were Visayans and the affidavits were written in English,[32] were hardly credible in the light of the observation of the trial court that both were well-educated in banking and finance and in fact exhibited a good command of the English language when they testified. Certainly, their lame excuses cannot prevail against complainant's consistent, straightforward and positive testimony as noted by the trial court. It must be stressed that in the prosecution of offenses under B.P. Blg. 22 it is incumbent upon the accused to prove his defenses by clear and convincing evidence.

The allegation of petitioner that the checks were merely intended to be shown to prospective investors of her corporation is, to say the least, not a defense. The gravamen of the offense punished under B.P. Blg. 22 is the act of making or issuing a worthless check or a check that is dishonored upon its presentment for payment. The law has made the mere act of issuing a bad check *malum prohibitum*, an act proscribed by the legislature for being deemed pernicious and inimical to public welfare.[33] Considering the rule in *mala prohibita* cases, the only inquiry is whether the law has been breached. Criminal intent becomes unnecessary where the acts are prohibited for reasons of public policy, and the defenses of good faith and absence of criminal intent are unavailing.

The checks issued, even assuming they were not intended to be encashed or deposited in a bank, produce the same effect as ordinary checks. What the law punishes is the issuance of a rubber check itself and not the purpose for which the check was issued nor the terms and conditions relating to its issuance.[34] This is not without good reasons. To determine the purpose as well as the terms and conditions for which checks are issued will greatly erode the faith the public reposes in the stability and commercial value of checks as currency substitutes, and bring about havoc in the trading and banking communities.[35] Besides, the law does not make any distinction as to the kind of checks which are the subject of its provisions, hence, no such distinction can be made by means of interpretation or application. What is important is the fact that petitioner deliberately issued the checks in question and those checks were dishonored upon presentment for payment.

In fine, it is evident from the records that there were violations of B.P. Blg. 22 committed by petitioner: (a) all the checks were complete on their faces, i.e., properly dated, signed, with the name of the payee and amount of the checks entered; (b) the checks were issued on account of loans petitioner made; (c) all the checks were dishonored and stamped "drawn against insufficient funds;" and, (d) BPI Bookkeeper Arnulfo Fernandez presented in court a ledger where Account Nos. 001-1151-95 and 0011-1318-08 of petitioner were shown to have insufficient funds at the date of the issuance of the checks.[36] Added to these is the presumption of knowledge of insufficiency of funds. A maker's knowledge is presumed from the dishonor of his check for insufficiency of funds.[37] Once proved that the maker or drawer had knowledge of the insufficiency of his funds or credit, which is also an important element for the offense to exist, he is rendered *ipso facto* liable.

Lastly, we agree with the modification made by the Court of Appeals on the penalty imposed by the court *a quo*. Section 1 of B.P. Blg. 22 specifically provides that the fine to be imposed on the offender shall be "not less than but not more than double the amount of the check, which fine shall in no case exceed Two Hundred Thousand Pesos (P200,000.00). Thus, petitioner should be made to pay only the maximum of P200,000.00 fine in Crim. Case No. 92-5616, and not P220,000.00 as fixed by the trial court.

WHEREFORE, the assailed Decision of the Court of Appeals dated 22 October 1997 affirming the decision of the trial court convicting petitioner FELIPA B. CUEME of fifteen (15) violations of Batas Pambansa Blg. 22 otherwise known as the Bouncing Checks Law is **AFFIRMED**. Accordingly, petitioner is sentenced to imprisonment of six (6) months for each crime and to pay fines in the total amount of P1,686,000.00 for the fifteen (15) cases after reducing the fine in Crim. Case No. 92-5616 to P200,000.00. Petitioner is further ordered to pay complaining witness Helen Simolde the face value of the dishonored checks in the aggregate amount of

P2,387,500.00 with legal interest, plus costs.

SO ORDERED.

Mendoza, Buena, and De Leon, Jr., JJ., concur.

Quisumbing, J., in the result.

[1] Penned by Associate Justice Consuelo Ynares-Santiago (now a member of this Court), and concurred in by Associate Justices Conrado M. Vasquez, Jr. and Roberto A. Barrios.

[2] TSN, 3 February 1993, p. 5.

[3] TSN, 18 February 1993, p. 4.

[4] TSN, 3 February 1993, pp. 24 and 29.

[5] Crim. Case No. 92-5626.

[6] Crim. Case No. 92-5625.

[7] Crim. Case No. 92-5621.

[8] Crim. Case No. 92-5622.

[9] Crim. Case No. 92-5613.

[10] Crim. Case No. 92-5612.

[11] Crim. Case No. 92-5624.

[12] Crim. Case No. 92-5627.

[13] Crim. Case No. 92-5614.

[14] Crim. Case No. 92-5615.

[15] Crim. Case No. 92-5616.

[16] Crim. Case No. 92-5617.

[17] Crim. Case No. 92-5618.

[18] Crim. Case No. 92-5619.

[19] Crim. Case No. 92-5620.

[20] Except for Check No. 647700 which was deposited on 10 April 1990 and dishonored the following day.

[21] TSN, 18 February 1993, p. 6.

[22] TSN, p. 5.

[23] Id., p. 7.

[24] Id., p. 8.

[25] Decision penned by Judge Francisco Donato Villanueva, RTC-Br. 136, Makati City.

- [26] G.R. No. 63419, 18 December 1986, 146 SCRA 323, 340.
- [27] Sec. 1, B.P. Blg. 22.
- [28] *Ibasco v. Court of Appeals*, G.R. No. 117488, 5 September 1996, 261 SCRA 449.
- [29] Records, pp. 37, 53 and 87.
- [30] Rollo, p. 32.
- [31] *Id.*, pp. 288-289.
- [32] TSN, 18 March 1993, pp. 2-3; TSN, 18 February 1998, p. 35.
- [33] *People v. Reyes*, G.R. Nos. 101127-31, 18 November 1993, 228 SCRA 13.
- [34] *People v. Nitafan*, G.R. No. 75954, 22 October 1992, 215 SCRA 79.
- [35] *Id.*, p. 85.
- [36] TSN, 12 February 1993, pp. 3-9.
- [37] *Vaca v. Court of Appeals*, G.R. No. 131714, 16 November 1998, 298 SCRA 656.

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.