

MONTE DE PIEDAD AND SAVINGS BANK, PETITIONER, VS. MINISTER OF LABOR AND EMPLOYMENT AND JOSEFINA MENDIOLA, RESPONDENTS.

G.R. No. 57093. May 27, 1983

Ponente: AQUINO, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-57093/>

AQUINO, J.:

This case is about the dismissal of a bank cashier. Josefina A. Mendiola started working for the Monte de Piedad and Savings Bank as a teller on April 1, 1962 and steadily rose from the ranks. She was the branch cashier and concurrently a jewelry appraiser at the bank's Fugoso branch, Sta. Cruz, Manila when the bank's board of directors for lack of confidence dismissed her on June 15, 1979.

The bank found her guilty of violating section 83 of the General Banking Act as implemented by Central Bank Circular No. 357, governing loans to bank officers and directors:

"SEC. 83.— No director or officer of any banking institution shall, either directly or indirectly, for himself or as the representative or agent of others borrow any of the deposits or funds of such bank, . . . except with the written approval of the majority of the directors of the bank excluding the director concerned. . . . The office of any director or officer, of a bank who violates the provisions of this section shall immediately become vacant and the director or officer shall be punished by imprisonment of not less than one year nor more than ten years and by a fine of not less than one thousand nor more than ten thousand pesos."

It appears that Mendiola was maintaining a personal savings account of P4,000 with the bank's Fugoso Branch. On May 30, 1978 she deposited to her account a check payable to herself amounting to P4,000 thereby increasing her outstanding balance to P8,000. On June 1, 1978 she withdrew from her account the amount of P5,000 even before her check for P4,000 could be cleared. On June 5, 1978 her check for P4,000 was dishonored, which resulted in an overdrawing of P1,000. However, instead of immediately debiting her savings account she looked for the drawer who replaced the dishonored check on June 8, 1978.

As regards Gerardo Ocampo, a fellow officer in the Fugoso branch, on six different occasions he deposited to his savings account six checks, the encashment of which on the same dates said checks were deposited (that was before clearing) was authorized by the branch manager and Mendiola or by Ocampo alone.

One check for P1,200 was deposited to the account of Ocampo on November 13, 1978. A withdrawal was made by Ocampo on the same day with the authority of the branch manager and Mendiola. The depository bank (Bank of the Philippine Islands, Tayuman) returned the check with the notation "try next clearing." The check was redeposited on November 16 but once again it was returned on November 17 for the reason that payment has been stopped. Ocampo's savings account was not debited despite the advice. On November 22 Ocampo redeemed the bad check with cash.

Monte de Piedad and Savings Bank in its letter of June 15, 1979 informed the Central Bank of the dismissal of

Mendiola and of the restoration in full of the amount involved in the irregularities committed at the Fugoso branch.

On July 5, 1979, Mendiola filed with the National Capital Region (Manila) of the Ministry of Labor a complaint for illegal dismissal against the Monte de Piedad and Savings Bank. She did not ask for reinstatement. Instead, in her position paper dated August 29, 1979, she prayed that she be given separation pay of one month for every year of service as well as other benefits.

We find that there is just cause for dismissing Mendiola. She committed willful breach of trust. Being a managerial employee, her dismissal did not require prior clearance.

As already stated, Mendiola in her complaint did not seek reinstatement but separation pay and other benefits. She cannot be reinstated because her former position has been filled up. The petitioner is willing to consider Mendiola as resigned and to award her separation pay equivalent to one-half month basic pay for every year of service.

Considering the equities of the case, particularly the fact that Mendiola's offense was not grave, we affirm the dismissal but petitioner bank is ordered to pay her termination pay equivalent to one month salary for every year of service or her salary for seventeen (17) months.

SO ORDERED.

Makasiar (Chairman), Concepcion Jr., De Castro and Escolin, JJ., concur.
Guerrero and Abad Santos, JJ., in the result.

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.