

FAR EAST BANK & TRUST COMPANY, PETITIONER, VS. THE HON. INTERMEDIATE APPELLATE COURT, RUFINO FAYTAREN AND MARIA CRISTINA L. ZALDARRIAGA, RESPONDENTS.

G.R. Nos. 73131-32. August 31, 1988

Ponente: GRIÑO-AQUINO, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-nos-73131-32/>

GRIÑO-AQUINO, J.:

Far East Bank & Trust Company has appealed the resolution dated April 30, 1985 of the then Intermediate Appellate Court which, upon a motion for reconsideration filed by the private respondents, reversed its own decision of May 18, 1984.

In 1970, the private respondents, Maria Cristina L. Zaldarriaga and Rufino Faytaren, were employees of the Far East Bank & Trust Company at its Plaza Moraga branch, near the Escolta, Manila. Zaldarriaga had been employed as Head Teller since December 1, 1965, while Faytaren worked as Assistant Branch Cashier since February 16, 1960, until both were terminated on March 16, 1971.

The cause of their termination arose from the following incidents:

As early as June 13, 1968, the Bank had issued a memorandum to all its branches setting out the rules and procedure to be followed in the encashment of checks, as follows:

“1.

The person encashing the check should be made to sign the check;

“2.

Payment of checks in the amount of P5,000.00 or more should be approved by at least two of the three top officers of the bank. The three top officers were the Branch Manager, Rogelio Perez, the Assistant Cashier, Rufino Faytaren, and the branch accountant Gregoria Legaspi. In the absence of any two of the above-named officers, a class B officer is required to place an additional initial;

“3.

The teller's stamp should be affixed on the back after paying it, either on the face of the check, if the person who encashed the same is known to the teller concerned, or at the back thereof, if said person is not known to her;

“4.

It is necessary to place the check on the tray at the back of the teller's cage for earmarking (initial) of the Current Account Bookkeeper." (p. 45, Rollo.)

On November 23, 1970, a Far East Bank Check No. YP240954 dated November 19, 1970, for P30,000 and payable to "Cash," was purportedly drawn by Renato Sunico, one of the bank's clients who maintained a current account deposit No. 10492. According to Zaldarriaga, the check was presented to her by Faytaren for encashment. Marilene Fariñas, with whom Zaldarriaga was conversing at the time, confirmed that Faytaren requested Zaldarriaga to encash a check, but she (Fariñas) could not categorically state that it was the P30,000-check in question.

The P30,000-check was signed by "Renato Sunico" above his typewritten name. On the back was a blank endorsement signed by Rolando Santos whose signature was identified and payment guaranteed by a signature identical to Renato Sunico's on the face of the check. Also found on the back was the initial of Gregoria Legaspi, Branch Accountant of the Bank.

When the questioned check was presented at the Bank's Plaza Moraga Branch, the Branch Manager Rogelio Perez was absent because his house had been damaged by typhoon "Yoling." Only Gregoria Legaspi, the Branch Accountant, initialed the check.

Zaldarriaga alleged that she requested Faytaren to initial the check also but he answered "later on;" that she asked him to secure the approval of another officer of the Bank but Faytaren told her that the branch manager would do it later; that she asked Faytaren where she should affix her stamp and he said it was not necessary; and that after getting P30,000 in six bundles of P50's from the vault, she was about to call the current accounts bookkeeper, but Faytaren himself checked the ledger and told her that the check was adequately funded. Zaldarriaga further testified that in the afternoon of the same day, November 23, 1970, after lunch, Marilene Fariñas who was also following up a check for the approval of a second approving officer, told her that Renato Singson would take care of the check. This allegation was denied by Renato Singson and Marilene Fariñas.

Faytaren denied Zaldarriaga's allegations regarding his participation in the encashment of the P30,000-check which turned out to be a forgery. He alleged that the check which he handed to Zaldarriaga for encashment on November 23, 1970, was a check for P5,000 drawn by the General Auto Supply thru its owner, Felipe Uy Bompang, his townmate from Batangas City. He admitted that he approved and initialed the "Cash Requisition Slip" for P30,000 which was presented to him by Zaldarriaga to enable her to withdraw that amount from the Bank's vault, but he did so in the ordinary course of his duty.

On December 1 to 13, 1970, Faytaren went on vacation leave with pay, while Zaldarriaga went on sick leave from December 4 to 7, 1970. Upon reporting back for work, they were investigated and required to explain in writing the encashment of the P30,000-check. On March 16, 1971, they each received a notice of separation from the Bank.

On April 6, 1971, Zaldarriaga filed a complaint for illegal dismissal in the Court of First Instance of Manila against the Bank and Rufino Faytaren (Civil Case No. 82819). She prayed for reinstatement or, in the alternative, for payment of separation pay, with damages in either case.

On April 8, 1971, the Bank filed a complaint for qualified theft against Zaldarriaga and Faytaren in the Manila City Fiscal's Office. On February 20, 1974, the investigating fiscal recommended the dismissal of the charge with the observation that if any loss was sustained by the Bank from respondents' violation of bank rules and regulations, the Bank's remedy was an action for reimbursement of the amount lost.

On April 13, 1971, Faytaren filed in the Court of First Instance of Manila, a complaint against the Bank for

reinstatement with damages for having been dismissed without just cause (Civil Case No. 82863).

It was consolidated with the case filed by Zaldarriaga and jointly tried in Branch X of the Manila Court of First Instance.

On October 14, 1977, the trial court rendered judgment disposing as follows:

On Zaldarriaga's complaint -

"WHEREFORE, it is the judgment of this court that she (Ma. Cristina Zaldarriaga), should be considered as having resigned from the bank as of March 16, 1971, without pronouncement of any damage for or against her and without pronouncement as to costs." (p. 114, Record on Appeal, p. 69, Rollo.)

On Faytaren's complaint -

"WHEREFORE, this Court after considering these cases very carefully and for a long period of time, decides that the dismissal of Rufino Faytaren on March 16, 1971, was unjustified and decrees instead that he should be considered as having retired. He should be entitled to receive his salaries, emoluments and all fringe benefits incident or pertinent to his position at the time of his separation for a period of five (5) years. Specifically, from March 16, 1971 to March 16, 1976, plus P3, 000.00 attorney's fees, without the award of any other claim or counterclaim for damages against him." (p. 118, Record on Appeal, p. 69, Rollo.)

Only Faytaren appealed to the Intermediate Appellate Court, which on May 18, 1984 modified the trial court's decision as follows:

"WHEREFORE, the decision appealed from should be modified in the sense that appellant Rufino Faytaren is hereby dismissed from his position in defendant Bank effective March 16, 1971, and that plaintiffs Rufino Faytaren and Maria Cristina Zaldarriaga be ordered to pay jointly and severally the sum of P30,000.00 to the defendant Bank. Costs against plaintiff-appellant Rufino Faytaren." (p. 64, Rollo.)

Faytaren filed a motion for reconsideration of that decision.

The Court of Appeals gave Faytaren's complaint a second look and in its resolution of April 30, 1985, it set aside its decision of May 18, 1984 and ordered his reinstatement. The dispositive part of the resolution reads as follows:

"WHEREFORE, Our decision of May 18, 1984, is hereby set aside and reversed and another one is rendered modifying the decision a quo in Civil Case No. 82863 entitled 'Rufino Faytaren vs. Far East Bank and Trust Company, Inc.,' by ordering the reinstatement of plaintiff-appellant Rufino Faytaren to his last position with defendant-appellee Far East Bank and Trust Company, Inc., on or before November 23, 1970, with all the salaries, emoluments, and fringe benefits incident to that position at the time of separation until his actual reinstatement. No costs." (p. 53, Rollo.)

The Bank sought a reconsideration of the amended decision on October 8, 1985, but its motion to that effect was denied by the Court of Appeals on November 29, 1985 (p. 67, Rollo).

The Bank appealed by certiorari to this Court.

The issues in this appeal are: (1) whether the Appellate Court erred in holding that Faytaren was illegally dismissed; (2) whether the said employee should be reinstated; and (3) whether he should reimburse the Bank for the amount of the forged P30,000-check.

The Intermediate Appellate Court held that Faytaren was illegally dismissed because it found no clear proof that he participated in the defraudation of the Bank. It observed that:

(1) Faytaren had no hand in the issuance of the book of blank checks in the name of Renato Sunico, from which

the check in question was removed and forged;

(2) Faytaren has no signature or initial on the forged check and there is evidence that he refused to sign said check. As Assistant Cashier, he was one of three officers of the Bank authorized to approve the encashment of checks. If he were a co-conspirator in defrauding the Bank, he would have initialed or signed the forged check to facilitate its encashment;

(3) Faytaren denied that he presented the forged check to Zaldarriaga for encashment. He insisted that the check he gave to her in the presence of Marilene Fariñas was a P5,000-check of the General Auto Supply which its owner, Felipe Uy Boming encashed. Felipe Uy Boming corroborated him on this point;

(4) None of the Bank's employees had substantiated Zaldarriaga's allegation that Faytaren gave the forged check to her for encashment;

(5) Barely seven (7) months before the transaction in question, i. e. on April 4, 1970, Faytaren received from the Bank a certificate of appreciation and fellowship, and he was on that occasion awarded a Seiko gold watch and an FEBTC gold pin;

(6) The criminal charge against him and Zaldarriaga was dismissed; and

(7) The investigation of Faytaren by the Bank's investigating committee was made without regard to his right to due process, for he was not given a chance to defend himself, as provided in Rule XIV, Book V of the Implementing Rules and Regulations of the Labor Code governing the dismissal of employees, Section 5 of which requires that "the employer shall afford the worker ample opportunity to be heard and to defend himself with the assistance of his representative, if he so desires."

The above observations of the Court of Appeals are factual, hence conclusive upon this Court.

Inasmuch as Faytaren's dismissal was unlawful, the Court of Appeals correctly ordered his reinstatement to his former position with all the salaries, emoluments, and fringe benefits appertaining thereto as of the date of his termination on March 16, 1971. However, the same shall be limited to a period of three (3) years from the date of his dismissal as previously fixed by this Court (*People's Industrial & Commercial Employees & Workers Organization (FFW) vs. People's Industrial & Commercial Corporation*, 112 SCRA 440; *Lepanto Consolidated Mining Co. vs. Encarnacion*, 136 SCRA 256; *Mercury Drug Co., Inc. vs. Court of Industrial Relations*, 56 SCRA 694).

WHEREFORE, as above modified, the appealed decision or resolution is affirmed.

SO ORDERED.

Narvasa, Cruz, and Medialdea, JJ., concur.

Gancayco, J., on leave.

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.