



Republic of the Philippines  
Supreme Court  
Manila

THIRD DIVISION

NOTICE

Sirs/Mesdames:

*Please take notice that the Court, Third Division, issued a Resolution dated July 13, 2022, which reads as follows:*

“A.C. No. 13416 (Arturo Carrillo v. Atty. Carlo Iñigo Soriano). — This resolves the Verified Complaint<sup>1</sup> filed by complainant Arturo Carrillo<sup>2</sup> (**complainant**) against respondent Atty. Carlo Iñigo Soriano (**respondent**) before the Integrated Bar of the Philippines-Commission on Bar Discipline (**IBP-CBD**) for gross misconduct and violation of Canon 1, Rule 1.01 and Canon 7, Rule 7.03 of the Code of Professional Responsibility (**CPR**).

*Facts*

Sometime in early February 2016, complainant together with his son, Andrew Carrillo, sought legal advice from Atty. Gallant Soriano (**Atty. Soriano**), the father of respondent, regarding their commercial pursuits.<sup>3</sup> Complainant, a retired Major General of the Armed Forces of the Philippines, was looking into investing his retirement money in solar energy.<sup>4</sup>

Atty. Soriano proposed that complainant engage in the petroleum supply business with G8 Fuels Corporation (**G8 Fuels**), a corporation organized by Atty. Soriano which included respondent, as a member of the Board of Directors and the Chief Finance Officer of the corporation.<sup>5</sup> Enticed by Atty. Soriano’s proposal, complainant agreed to invest in G8 Fuels.<sup>6</sup> Complainant, through ABCARRILLO Holdings Corporation<sup>7</sup> (**ABCARRILLO Holdings**), paid to G8 Fuels a total of ₱20 million in cash in exchange for shares, among others.<sup>8</sup>

<sup>1</sup> Rollo, pp. 4-11.

<sup>2</sup> Also referred to as ‘Arturo Carrillo’ in some parts of the *rollo*.

<sup>3</sup> Rollo, pp. 14-15; *rollo*, p. 51.

<sup>4</sup> *Id.*

<sup>5</sup> *Id.* at 16; *id.* at 52, 57.

<sup>6</sup> *Id.*

<sup>7</sup> Also referred to as ‘ABCARRILLO Holdings Corporation’ in some parts of the *rollo*.

<sup>8</sup> Rollo, pp. 18-19; Verified Answer, *rollo*, p. 52.

Alleging that none of the commitments made by G8 Fuels and Atty. Soriano materialized and that G8 Fuels failed to return the ₱20 million despite repeated demands, complainant and ABCARRILLO Holdings filed a civil complaint against G8 Fuels before the Regional Trial Court of Makati City (RTC) for contract breach, fraud, rescission and damages.<sup>9</sup> The case was docketed as Civil Case No. R-MKT-16-02714-CV. Complainant and ABCARRILLO Holdings also impleaded the directors of G8 Fuels, including Atty. Soriano and respondent.

Complainant alleged that during the Judicial Dispute Resolution (JDR) proceedings in the case, G8 Fuels offered to pay ₱23 million by way of settlement. Thus, at the JDR session on 12 April 2018, G8 Fuels presented a Banco de Oro check<sup>10</sup> dated 31 May 2018 with number 0000304833 and a face value of ₱23 million.<sup>11</sup> The check, which was issued in the name of G8 Fuels and payable to ABCARRILLO Holdings, bore the signatures of respondent and Mamerto Manaois, the President of G8 Fuels. Since the check was postdated, the parties agreed: (a) to deposit the check with the RTC for safekeeping (to be returned to ABCARRILLO Holdings on 31 May 2018, the check's due date); and (b) to execute and submit to the RTC a compromise agreement once the check has been encashed.<sup>12</sup>

On its due date, the check was dishonored for having been drawn against insufficient funds when it was presented for payment by complainant, as evidenced by the notation 'DAIF' on the dorsal side of the check.<sup>13</sup> Despite demand made on respondent and the other directors of G8 Fuels to replace the dishonored check with cash, they failed and refused to pay the face value of the check.<sup>14</sup>

Thus, on December 6, 2019, complainant filed before the IBP-CBD a Verified Complaint<sup>15</sup> against respondent. Complainant alleged that by issuing the unfunded check, an act penalized under Batas Pambansa Bilang 22 or the Bouncing Checks Law (BP 22), respondent committed gross misconduct. Complainant further charged respondent with violation of Canon 1, Rule 1.01 and Canon 7, Rule 7.03 of the CPR for the same act. The case was docketed as CBD Case No. 20-6230.

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<sup>9</sup> Id. at 13-38.

<sup>10</sup> Id. at 12.

<sup>11</sup> Id. at 6; id. at 54.

<sup>12</sup> Id. at 325; id. at 326.

<sup>13</sup> Id. at 12.

<sup>14</sup> Id. at 40-41.

<sup>15</sup> Id. at 4-11.

In his Answer, respondent averred that complainant failed to overcome by clear and convincing evidence the presumption of innocence enjoyed by lawyers in administrative cases.<sup>16</sup> Respondent denied liability on the ground that he was not yet a member of the bar when he issued the check.<sup>17</sup> Although he admitted issuing the unfunded check,<sup>18</sup> respondent contended that he cannot be held administratively liable because he merely acted on behalf and under the instructions and authority of G8 Fuels, a juridical entity invested by law with a personality separate and distinct from its stockholders and officers. Respondent further alleged that complainant violated the Revised Rules governing Court-Annexed Mediation and JDR when he disclosed matters that were discussed during the JDR proceedings in his Verified Complaint, which were privileged and confidential and were thus inadmissible in evidence for any purpose in any other proceeding.<sup>19</sup> Lastly, respondent claimed that since the compromise between the parties failed to materialize, the unfunded check was not issued for value and consideration.<sup>20</sup>

### *The Report and Recommendation of the IBP*

In her Report and Recommendation,<sup>21</sup> the IBP Investigating Commissioner (IC) recommended that respondent be held administratively liable, and accordingly, be meted the penalty of suspension from the practice of law for a period of one (1) year. Citing *Enriquez v. Atty. De Vera*,<sup>22</sup> the IC found that respondent violated Canons 1 and 7 of the CPR when he issued the check which was dishonored upon presentment. In rejecting respondent's argument that he cannot be held personally liable for the unfunded check which he issued on behalf of G8 Fuels, the IC ruled that that 'respondent, as a lawyer, is required to observe the law and be mindful of his actions whether acting in a public or private capacity, or whether as a personal or corporate duty.'

In Resolution No. CBD-XXV-2022-02-09<sup>23</sup> dated 12 February 2022, the IBP Board of Governors resolved to approve and adopt the Report and Recommendation of the IC to impose upon respondent the penalty of suspension from the practice of law for a period of one (1) year.

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<sup>16</sup> Id. at 59-62.

<sup>17</sup> Id. at 55-56.

<sup>18</sup> Id. at 56-58.

<sup>19</sup> Id. at 58-59.

<sup>20</sup> Id. at 63.

<sup>21</sup> Id. at 337-342.

<sup>22</sup> A.C. No. 8330, 756 Phil. 1 (2015).

<sup>23</sup> *Rollo*, p. 335

*Issue*

The sole issue for the Court's resolution is whether respondent should be held administratively liable for the issuance and dishonor of the check.

*The Ruling of the Court*

The Court adopts the recommendation of the IBP to impose upon the respondent the penalty of suspension from the practice of law for a period of one (1) year.

This Court has ruled that the issuance of a dishonored check amounts to serious misconduct.<sup>24</sup> In *Ong v. Delos Santos*,<sup>25</sup> the Court declared that a lawyer who issues an unfunded check violates Canon 1, Rule 1.01 and Canon 7, Rule 7.03 of the CPR, which state:

CANON 1 - A LAWYER SHALL UPHOLD THE CONSTITUTION, OBEY THE LAWS OF THE LAND AND PROMOTE RESPECT FOR THE LAW AND LEGAL PROCESSES.

Rule 1.01 - A Lawyer shall not engage in unlawful, dishonest, immoral or deceitful conduct.

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CANON 7 - A LAWYER SHALL AT ALL TIMES UPHOLD THE INTEGRITY AND DIGNITY OF THE LEGAL PROFESSION AND SUPPORT THE ACTIVITIES OF THE INTEGRATED BAR.

Rule 7.03 - A lawyer shall not engage in conduct that adversely reflects on his fitness to practice law, nor shall he, whether in public or private life, behave in a scandalous manner to the discredit of the legal profession.

The Court held:

Batas Pambansa Blg. 22 has been enacted in order to safeguard the interest of the banking system and the legitimate public checking account users. The gravamen of the offense defined and punished by Batas Pambansa Blg. 22, according to *Lozano v. Martinez*, is the act of making and issuing a worthless check, or any check that is dishonored upon its presentment for payment and putting it in circulation; the law is designed to prohibit and altogether eliminate the deleterious and pernicious practice of issuing checks

<sup>24</sup> *De Jesus v. Collado*, 290-A Phil. 410 (1992).

<sup>25</sup> A.C. No. 10179, 728 Phil. 332 (2014).

with insufficient funds, or with no credit, because the practice is deemed a public nuisance, a crime against public order to be abated. The Court has observed in *Lozano v. Martinez*:

The effects of the issuance of a worthless check transcends the private interests of the parties directly involved in the transaction and touches the interests of the community at large. The mischief it creates is not only a wrong to the payee or holder, but also an injury to the public. The harmful practice of putting valueless commercial papers in circulation, multiplied a thousandfold, 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. xxx

Being a lawyer, Atty. Dclos Santos was well aware of the objectives and coverage of Batas Pambansa Blg. 22. If he did not, he was nonetheless presumed to know them, for the law was penal in character and application. **His issuance of the unfunded check involved herein knowingly violated Batas Pambansa Blg. 22, and exhibited his indifference towards the pernicious effect of his illegal act to public interest and public order. He thereby swept aside his Lawyer's Oath that enjoined him to support the Constitution and obey the laws. He also took for granted the express commands of the Code of Professional Responsibility, specifically Canon 1, Rule 1.01 and Canon 7, Rule 7.03** xxx (citations omitted; emphasis supplied)

It must be emphasized that in administrative cases against members of the bar, the quantum of proof is substantial evidence, and not preponderance of evidence as stated by the IC in her Report and Recommendation.<sup>26</sup> Substantial evidence refers to 'that amount of relevant evidence which a reasonable mind might accept as adequate to justify a conclusion.'<sup>27</sup> In *Bataan Shipyard and Engineering Co., Inc. v. Consunji*,<sup>28</sup> this Court elucidated that 'the standard of substantial evidence is satisfied when there is reasonable ground to believe that respondent is responsible for the misconduct complained of, even if such evidence might not be overwhelming or even preponderant.' The Court finds that complainant was able to discharge the burden of proof in this case.

To reiterate, respondent does not deny that he signed the check, that the check was dishonored upon presentment, and that the face value of the check was not paid despite the payee's demands. However, he interposes several defenses which the Court finds untenable.

<sup>26</sup> *Biliran v. Bantugan*, A.C. No. 8451, 30 September 2020; *Bataan Shipyard and Engineering Co., Inc. v. Consunji*, A.C. No. 11439, 4 January 2022.

<sup>27</sup> RULES OF COURT, Rule 133, Sec. 6.

<sup>28</sup> A.C. No. 11439, 4 January 2022.

*Lawyers may be disciplined for  
acts committed prior to their  
admission to the practice of law*

The fact that respondent was not yet a member of the bar at the time of the issuance of the unfunded check is undisputed.<sup>29</sup> However, contrary to respondent's contention, this will not absolve him of the administrative charges in this case. In *Zaguirre v. Castillo*,<sup>30</sup> the Court explained that admission to the bar does not foreclose an inquiry into the fitness of a person to be a lawyer on the basis of acts committed prior to their membership in the legal profession because possession of good moral character is a continuing requirement to the practice of law:

The illicit relationship with Carmelita took place while respondent was preparing to take the bar examinations. Thus, it cannot be said that it is unknown to him that an applicant for admission to membership in the bar must show that he is possessed of good moral character, a requirement which is not dispensed with upon admission to membership of the bar. **This qualification is not only a condition precedent to admission to the legal profession, but its continued possession is essential to maintain one's good standing in the profession; it is a continuing requirement to the practice of law and therefore admission to the bar does not preclude a subsequent judicial inquiry, upon proper complaint, into any question concerning his mental or moral fitness before he became a lawyer. This is because his admission to practice merely creates a rebuttable presumption that he has all the qualifications to become a lawyer.** (citations omitted; emphasis supplied)

The Court has repeatedly declared that the issuance of a worthless check in violation of BP 22 is an offense involving moral turpitude.<sup>31</sup> It imports deceit and relates to and affects the good moral character of a person. In *Nulada v. Paulma*,<sup>32</sup> the Court held that the issuance of unfunded checks demonstrates a lawyer's unfitness for the trust and confidence reposed on him and shows such lack of personal honesty and good moral character as to render him unworthy of public confidence.<sup>33</sup> Paraphrasing Black's definition, the Court said in the same case that 'a drawer who issues an unfunded check deliberately reneges on his private duties he owes his fellow men or society in a manner contrary to accepted and customary rule of right and duty, justice, honesty or good morals.'

<sup>29</sup> *Rollo*, pp. 147-148.

<sup>30</sup> A.C. No. 4921, 446 Phil. 861 (2003).

<sup>31</sup> *People v. Tuanda*, 260 Phil. 572 (1990); *Villaber v. COMELEC and Cagas*, 420 Phil. 930 (2001).

<sup>32</sup> A.C. No. 8172, 784 Phil. 309 (2016).

<sup>33</sup> *Id.* at 316.

*Respondent, as a director of G8  
Fuels, may be held  
administratively liable for  
issuing an unfunded check*

As aptly pointed out by complainant, the fact that the check was drawn in the name of G8 Fuels is of no moment.<sup>34</sup> While it may be true that respondent merely acted for and behalf of G8 Fuels in issuing the check, the fact remains that respondent signed the unfunded check. Section 1 of BP 22 expressly provides that '[w]here the check is drawn by a corporation, company, or entity, the person who actually signed the check in behalf of such drawer shall be liable under this Act.'

Based on this provision, the Court had previously declared that corporate officers cannot escape liability under BP 22 by the mere invocation of the veil of corporate fiction:

The fact that Navarra signed the subject checks in behalf of Reynolds cannot, in any way, exculpate him from liability, criminal or civil. Navarra insists that he cannot be held civilly liable since he is merely a corporate officer who signed checks for the corporation.

Unfortunately, the law clearly declares otherwise. Section 1 of BP 22 provides:

**Section 1. Checks without sufficient funds.**

XXX XXX XXX

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.

BP 22 was enacted to address the rampant issuance of bouncing checks as payment for pre-existing obligations. The circulation of bouncing checks adversely affected confidence in trade and commerce. The State criminalized such practice because it was deemed injurious to public interests and was found to be pernicious and inimical to public welfare. It is an offense against public order and not an offense against property. It likewise covers all types of checks, and even checks that were issued as a form of deposit or guarantee were held to be within the ambit of BP 22. For

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<sup>34</sup> Rollo, pp. 150-151.

all intents and purposes, the law was devised to safeguard the interest of the banking system and the legitimate public checking account user.

When a corporate officer issues a worthless check in the corporate name, he may be held personally liable for violating a penal statute. The statute imposes criminal penalties on anyone who draws or issues a check on any bank with knowledge that the funds are not sufficient in such bank to meet the check upon presentment. Moreover, the corporate officer cannot shield himself from liability on the ground that it was a corporate act and not his personal act. The general rule is that a corporate officer who issues a bouncing corporate check can be held civilly liable when he is convicted. The criminal liability of the person who issued the bouncing checks in behalf of a corporation stands independent of the civil liability of the corporation itself, such civil liability arising from the Civil Code. But BP 22 itself fused this criminal liability with the corresponding civil liability of the corporation itself by allowing the complainant to recover such civil liability, not from the corporation, but from the person who signed the check in its behalf.<sup>35</sup> (citations omitted; emphasis supplied)

In the same vein, respondent cannot evade administrative liability for issuing the subject unfunded check by claiming that he merely acted under the authority of G8 Fuels.

*The check is presumed to be issued for value; the reason for the issuance of a check is immaterial*

On the basis of the Negotiable Instruments Law, the Court, in several instances involving violation of BP 22, has declared that upon the issuance of a check, it is presumed that such issuance was for valuable consideration.<sup>36</sup>

In the present case, respondent alleged that there was no consideration for the subject check. Thus, it devolved upon him to present clear and convincing evidence to overthrow the presumption that the check was issued with consideration.<sup>37</sup> This the respondent failed to do.

<sup>35</sup> *Navarra v. People*, 786 Phil. 439, 448-449 (2016).

<sup>36</sup> *Ocampo v. People*, G.R. No. 251254, 28 July 2020; *Bayani v. People*, 556 Phil. 737 (2007); *Cayanan v. North Star International Travel, Inc.*, 674 Phil. 435 (2011).

<sup>37</sup> *Bayani v. People*, 556 Phil. 737 (2007).



In support of his claim that the check was not issued for valuable consideration, respondent averred that 'the subject check was only meant for deposit with the [RTC] and would be replaced by a Manager's Check upon execution of a compromise agreement.'<sup>38</sup> Respondent further claimed that 'the said compromise agreement never pushed through because of certain conditions not met by complainant.'<sup>39</sup> However, aside from his bare allegations, he failed to provide any proof to substantiate his claims. It is axiomatic that bare allegations, unsubstantiated by evidence, are not equivalent to proof.<sup>40</sup>

Moreover, the allegation that the check was not intended to be deposited or encashed is not a valid defense since the gravamen of the offense punished under BP 22 is the act of making or issuing a worthless check or a check that is dishonored upon its presentment for payment.<sup>41</sup> In *Te Siong v. Heje, Jr.*,<sup>42</sup> which also involved an administrative complaint lodged against a lawyer for the issuance of a dishonored check, the Court refused to give merit to the lawyer's contention that the check was not meant to be encashed:

**For whatever reason the check was issued, the fact remains that it was subsequently dishonored for insufficiency of funds and such act of issuing a bouncing check would have constituted a violation of B.P. Blg. 22. In *People v. Nitafan*, where the Court was tasked to resolve whether a memorandum check falls within the ambit of B.P. Blg. 22, it was held:**

A memorandum check, upon presentment, is generally accepted by the bank. Hence it does not matter whether the check issued is in the nature of a memorandum as evidence of indebtedness or whether it was issued as partial fulfillment of a pre-existing obligation, for what the law punishes is the issuance itself of a bouncing check and not the purpose for which it was issued nor the terms and conditions for its issuance. **The mere act of issuing a worthless check, whether as a deposit, as a guarantee, or even as an evidence of a pre-existing debt, is *malum prohibitum*.** (citations omitted; emphasis supplied)

In view of the foregoing, the Court finds it no longer necessary to delve into respondent's argument regarding the confidential and privileged nature of the information arising from the JDR proceedings in Civil Case No. R-MKT-16-02714-CV, which concerned the circumstances leading to the issuance of the check.

<sup>38</sup> *Rollo*, p. 57.

<sup>39</sup> *Id.*

<sup>40</sup> *Real v. Belo*, 542 Phil. 109 (2007) citing *Domingo v. Robles*, 493 Phil. 916 (2005); *Ongpauco v. Court of Appeals*, 488 Phil. 396 (2004).

<sup>41</sup> *Cuene v. People*, 390 Phil. 294 (2000).

<sup>42</sup> A.C. No. 12057 (Notice), 6 June 2018.

In line with prevailing jurisprudence, the Court affirms the recommendation of the IBP Board of Governors to impose on respondent the penalty of suspension from the practice of law for a period of one (1) year.<sup>43</sup>

One last note. Respondent just passed the bar examinations in 2018 and yet already, he has been convicted of a serious offense and has been meted the penalty of suspension. The Court expresses its concern and through this sanction its hope that respondent will henceforth behave strictly in accordance with his oath.

**WHEREFORE**, the Court hereby finds respondent Atty. Carlo Iñigo Soriano **GUILTY** of serious misconduct and violation of Canon 1, Rule 1.01 and Canon 7, Rule 7.03 of the Code of Professional Responsibility. Accordingly, effective immediately, the Court hereby **SUSPENDS** him from the practice of law for one (1) year.

Furthermore, respondent is **DIRECTED** to report to this Court the date of his receipt of this Resolution to enable it to determine when his suspension from the practice of law shall take effect.

Let copies of this Resolution be furnished to: (1) the Office of the Bar Confidant to be appended to respondent's personal record as an attorney; (2) the Integrated Bar of the Philippines for its information and guidance; and (3) the Office of the Court Administrator for circulation to all courts in the country.

The Notice of Resolution No. CBD-XXV-2022-02-09 dated 12 February 2022 of the Integrated Bar of the Philippines Board of Governors transmitted by letter dated 25 March 2022, together with the case record is **NOTED**.

**SO ORDERED."**

By authority of the Court:

*Misael C. Batt*  
**MISAELO DOMINGO C. BATTUNG III**  
Division Clerk of Court *9-06-22*

<sup>43</sup> *Andaya v. Tumanda*, A.C. No. 12209, 18 February 2020; *Lim v. Rivera*, 472 Phil. 629 (2018); *Lao v. Medel*, 453 Phil. 115 (2003); *Rangwani v. Diño*, 486 Phil. 8 (2004); *Enriquez v. De Vera*, 756 Phil. 1, 14 (2015); *Orbe v. Adaza*, 472 Phil. 629-634 (2004).

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