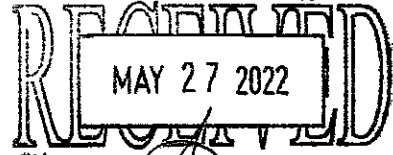


Republic of the Philippines
Supreme Court
Manila

SUPREME COURT OF THE PHILIPPINES
PUBLIC INFORMATION OFFICE



THIRD DIVISION

BY: _____
TIME: _____

MARTIN R. BUENAFLOR,
Petitioner,

G.R. Nos. 240187-88

Present:

versus

LEONEN, J., *Chairperson,*
LAZARO-JAVIER,
LOPEZ, M. V.,
LOPEZ, J. Y., and
KHO, JR., *JJ.:*

**FEDERATED DISTRIBUTORS, INC.
AND PEOPLE OF THE
PHILIPPINES,**

Respondents.

Promulgated:

March 28, 2022

Mis-DCB-ff

X-----X

DECISION

LOPEZ, J., J.:

This Court resolves a Petition for Review on *Certiorari*¹ under Rule 45 of the Rules of Court assailing the Decision² dated February 6, 2018 and the Resolution³ dated May 24, 2018 rendered by the Court of Appeals (CA) in CA-G.R. CR Nos. 37649 and 37746. The CA Decision affirmed with modification the Decision⁴ dated April 1, 2015 of the Regional Trial Court (RTC), Branch 258, Parañaque City in Criminal Case Nos. 08-0820-24 and 09-0045-51, which found petitioner Martin R. Buenaflor (*Buenaflor*) civilly liable for the face value of the 12 checks he issued in favor of Federated Distributors, Inc. (*FDI*).

In 2006, FDI purchased from Buenaflor assorted pork products and made an advance payment of ₱5,831,000.00. Some of the products had to

¹ *Rollo*, pp. 9-17.

² Penned by Associate Justice Nina G. Antonio-Valenzuela, with Associate Justices Priscilla J. Baltazar-Padilla (retired-deceased) and Germano Francisco D. Legaspi, concurring; *id.* at 20-28.

³ *Id.* at 30-31.

⁴ Penned by Presiding Judge Noemi J. Balitaan; *id.* at 62-71.

be returned as they did not conform to FDI's specifications. Despite repeated demands, however, Buenaflor failed to deliver the remainder of FDI's order. Subsequently, Buenaflor promised to return the balance of the advance payment of FDI in the sum of ₱4,444,829.97. He issued 12 post-dated checks in the amount of ₱100,000.00 each:

Drawee Bank	Check No.	Date	Amount
Equitable PCI	1017315	June 29, 2007	₱100,000.00
Equitable PCI	1017316	July 29, 2007	₱100,000.00
Equitable PCI	1017317	August 29, 2007	₱100,000.00
Equitable PCI	1017318	September 29, 2007	₱100,000.00
Equitable PCI	1017319	October 29, 2007	₱100,000.00
Equitable PCI	1017320	November 29, 2007	₱100,000.00
Equitable PCI	1017321	December 29, 2007	₱100,000.00
Equitable PCI	1017322	January 29, 2008	₱100,000.00
Equitable PCI	1017323	February 29, 2008	₱100,000.00
Equitable PCI	1017324	March 29, 2008	₱100,000.00
Equitable PCI	1017325	April 29, 2008	₱100,000.00
Equitable PCI	1017326	May 29, 2008	₱100,000.00
Total			₱1,200,000.00⁵

All 12 checks were eventually dishonored because they were either drawn against insufficient funds (*DAIF*) or the account was closed.⁶

This prompted FDI to institute a complaint for a sum of money against Buenaflor to collect his outstanding obligation, including the value of the 12 checks. On April 21, 2008, FDI also filed a criminal case for five counts of violation of Batas Pambansa Bilang (*BP Blg.*) 22⁷ against Buenaflor docketed as Criminal Case Nos. 08-0820 to 24 before the Metropolitan Trial Court (*MeTC*), Branch 78, Parañaque City. On July 21, 2008, FDI initiated another case for seven counts of violation of BP Blg. 22 docketed as Criminal Case Nos. 09-0045-51 before the MeTC.⁸ The accusatory portion of the Information in Criminal Case No. 08-0820 reads:

That on or about the 29th day of June 2007 or prior thereto, in the City of Paranaque, Philippines, and within the jurisdiction of this Honorable Court, the above-named accused, did then and there willfully, unlawfully and feloniously issue to **FEDERATED DISTRIBUTORS, INC. rep. by Grace B. Jayme** to apply on account or for value the check described below:

Check No. : 1017315
 Drawn Against : EQUITABLE PCI BANK
 In the Amount of : P100,000.00
 Dated : JUNE 29, 2007
 Payable to : FEDERATED DISTRIBUTORS, INC.

⁵ CA rollo (G.R. No. 37649), pp. 54-55.

⁶ *Id.* at 165.

⁷ Bouncing Checks Law.

⁸ CA rollo (G.R. No. 37649), pp. 165-166.

said accused well knowing that at the time of issue she/he did not have sufficient funds in or credit with the bank for payment in full of the amount of such check upon its presentment, which check when presented for payment within ninety (90) days from the date thereof, was subsequently dishonored by the drawee bank for the reason "*DAIF*" and despite receipt of notice of such dishonor, the accused failed to pay said payee the face amount of said check or to make arrangement for full payment thereof, within five (5) banking days after receiving said notice.

CONTRARY TO LAW.⁹ (Emphases and italics in the original)

The respective Informations in Criminal Case Nos. 08-021 to 08-024 and 09-0045 to 09-0051 contained the same allegations except for the check number and the date.¹⁰

Buenaflor filed a Demurrer to Evidence but it was denied by the MeTC on April 20, 2014.¹¹ The MeTC then proceeded to resolve the consolidated criminal cases.

On September 1, 2014, the MeTC rendered its Judgment,¹² the dispositive portion of which reads:

WHEREFORE, factual findings considered, this Court renders JUDGMENT:

1. DISMISSING CRIMINAL CASES Nos. 08-0820 to 24 and CRIMINAL CASES Nos. 09-0045 to 51, all for VIOLATION OF BATAS PAMBANSA BILANG 22, against the accused, MARTIN R. BUENAFLOR, the Prosecution having failed to establish his guilt beyond REASONABLE DOUBT; and
2. ADJUDGING the accused, MARTIN R. BUENAFLOR in CRIMINAL CASES Nos. 08-0820 to 24 and CRIMINAL CASES Nos. 09-0045 to 51, all for VIOLATION OF BATAS PAMBANSA BILANG 22, CIVILLY LIABLE for:
 - A. ONE MILLION TWO HUNDRED THOUSAND PESOS ([P]1,200,000.00) for the face value of the twelve (12) checks, as ACTUAL DAMAGES;
 - B. TWELVE PERCENT PER ANNUM (12% P.A.) on the value of each check computed from the date of the filing of the criminal cases in Court, until fully paid, as INTERESTS;
 - C. TWENTY THREE THOUSAND TWO HUNDRED FIFTY PESOS ([P]23,250.00), for reimbursement of the filing and other fees in Court; and

⁹ CA *rollo* (G.R. No. 37649), p. 63.

¹⁰ *Id.* at 64-74.

¹¹ *Rollo*, p. 55.

¹² Penned by Judge Ramsey Domingo G. Pichay; *id.* at 45-61.

D. TEN THOUSAND PESOS ([P]10,000.00), as and for ATTORNEY'S FEES.

SO ORDERED.¹³

The MeTC was convinced that the elements of violation of BP Blg. 22 were not established by the prosecution beyond reasonable doubt. The MeTC found that while the first two elements of the crime were established because Buenaflor issued checks that were subsequently dishonored, the third element – that the accused knows at the time of the issuance that he or she does not have sufficient funds in or credit with drawee bank for the payment of the check in full upon its presentment – was not proven. The MeTC explained that FDI failed to notify Buenaflor personally and directly that his account had no funds or that it had been closed. For the MeTC, the prosecution should have presented other witnesses or documents to establish that Buenaflor received a valid demand letter from FDI.¹⁴ In any case, considering that Buenaflor waived his right to present his evidence when he filed his Demurrer to Evidence, the MeTC found him civilly liable.¹⁵

The MeTC pointed out that an earlier civil case had been instituted by FDI against Buenaflor to recover P4,444,829.97, which amount already included the value of the 12 checks subject of the criminal cases. The MeTC concluded that a recovery by FDI under one remedy necessarily bars recovery under the other. Thus, the MeTC opined that awarding the value of the 12 checks in the criminal cases will defeat the rule against unjust enrichment.¹⁶ Nevertheless, in the dispositive portion of the MeTC Judgment, Buenaflor was still found civilly liable for the value of the checks in the amount of P1,200,000.00, twelve percent (12%) interest *per annum*, filing fees in the amount of P23,250.00, and attorney's fees worth P10,000.00.¹⁷

Aggrieved, Buenaflor appealed to the RTC. On April 1, 2015, the RTC rendered its Decision,¹⁸ the dispositive portion of which states:

WHEREFORE, premises considered, the appealed Decision dated September 1, 2014 is hereby **AFFIRMED WITH MODIFICATION** that the award of ONE MILLION TWO HUNDRED THOUSAND PESOS ([P]1,200,000.00) for the face value of the twelve (12) checks, as ACTUAL DAMAGES and TWELVE PERCENT PER ANNUM (12% P.A.) on the value of each computed from the date of the filing of the criminal cases in Court, until fully paid, as INTERESTS are hereby deleted. The Decision is **AFFIRMED in all other respects**.

¹³ *Id.* at 61.

¹⁴ *Id.* at 58-59.

¹⁵ *Id.* at 60.

¹⁶ *Id.*

¹⁷ *Id.* at 61.

¹⁸ *Id.* at 62-71.

SO ORDERED.¹⁹ (Emphases in the original)

The RTC deleted the award of civil indemnity in the amount of ₱1,200,000.00 for the face value of the 12 checks and the interest pursuant to the principle proscribing unjust enrichment.²⁰

FDI filed an appeal with the CA. On February 6, 2018, the CA rendered its Decision,²¹ the dispositive portion of which states:

We **MODIFY** the assailed Decision dated 01 April 2015 of the Regional Trial Court, Branch 258, Paranaque City, thus: we **ORDER** Martin R. Buenaflor to pay Federated Distributors Inc. the following amounts:

- 1) Php 1,200,000.00 (as actual damages), plus 6% per annum as interest, computed from the finality of this decision, until the award is fully satisfied;
- 2) Php 10,000.00 as attorney's fees;
- 3) Php 23,250.00, as costs of suit and other fees.

We **DISMISS** the Amended Petition for Review filed by Martin R. Buenaflor.

IT IS SO ORDERED.²² (Emphases in the original)

Citing Section 1 (b), Rule 111 of the Rules of Court, the CA held that the RTC erred when it deleted the award of ₱1,200,000.00 plus 12% interest *per annum*. The CA ruled that when FDI filed the criminal cases for violation of BP Blg. 22 before the MeTC, the civil actions were deemed instituted. Thus, the MeTC could validly make a ruling regarding the civil award in the criminal suits.²³

The CA declared that the fact that FDI's counsel manifested before the MeTC that it should only rule on the criminal aspect of the cases was irrelevant because Section 1 (b), Rule 111 of the Rules of Court²⁴ prohibits a party from reserving to file a separate civil action. The CA also relied on FDI's manifestation and the testimony of its representative, Grace B. Jayme, who stated that FDI also seeks to recover the face value of the checks worth ₱1,200,000.00 in the present criminal cases.²⁵

¹⁹ *Id.* at 70-71.

²⁰ *Id.* at 70.

²¹ *Id.* at 20-28.

²² *Id.* at 27-28.

²³ *Id.* at 25-26.

²⁴ Section 1. *Institution of criminal and civil actions.*

x x x

(b) The criminal action for violation of Batas Pambansa Blg. 22 shall be deemed to include the corresponding civil action. No reservation to file such civil action separately shall be allowed.

x x x

²⁵ *Rollo*, p. 26.

In a Resolution²⁶ dated May 24, 2018, the CA denied the Motion for Reconsideration of Buenaflor.²⁷ Hence, this Petition.

Buenaflor argues that it is unjust and violative of his right to due process to disregard the manifestation of FDI's counsel during trial that it will not pursue the civil aspect of the BP Blg. 22 cases. He insists that he relied on such manifestation in deciding not to present controverting evidence for the civil aspect.²⁸ He also maintains that FDI committed forum shopping because it resorted to two different courts for the recovery of the same amount.²⁹

The Office of the Solicitor General filed its Manifestation and Motion (In Lieu of Comment) dated November 14, 2018,³⁰ asking that it be excused from filing a comment since Buenaflor's appeal is limited only to the civil aspect of the BP Blg. 22 cases.³¹ Meanwhile, FDI filed its Comment,³² claiming that Buenaflor failed to raise any substantial question of law that may warrant this Court's discretionary review.³³

In his Reply dated February 10, 2019,³⁴ Buenaflor merely reiterated his arguments in his petition.

The issues to be resolved are:

I.

Whether FDI may recover the face value of the checks worth ₱1,200,000.00 in the BP Blg. 22 cases when this amount was initially included in the civil case instituted prior to the criminal cases; and

II

Whether FDI committed forum shopping in filing the BP Blg. 22 cases after instituting a collection case seeking to recover an amount which includes the face value of the checks.

I

FDI is not barred from recovering the face value of the checks in the BP Blg. 22 cases.

²⁶ *Id.* at 30-31.

²⁷ *Id.* at 31.

²⁸ *Id.* at 12-15.

²⁹ *Id.* at 15-16.

³⁰ *Id.* at 98-100.

³¹ *Id.* at 99.

³² *Id.* at 92-93.

³³ *Id.* at 92.

³⁴ *Id.* at 107-110.

9

The CA is correct in awarding the face value of the checks amounting to ₱1,200,000.00. However, there is a need to clarify the reason behind this ruling.

In modifying the decision of the RTC, the CA relied on Section 1(b), Rule 111 of the Rules of Court, the pertinent portion of which states:

SECTION 1. *Institution of criminal and civil actions.*

x x x x

(b) The criminal action for violation of Batas Pambansa Blg. 22 shall be deemed to include the corresponding civil action. No reservation to file such civil action separately shall be allowed.

Upon filing of the aforesaid joint criminal and civil actions, the offended party shall pay in full the filing fees based on the amount of the check involved, which shall be considered as the actual damages claimed. Where the complaint or information also seeks to recover liquidated, moral, nominal, temperate or exemplary damages, the offended party shall pay additional filing fees based on the amounts alleged therein. If the amounts are not so alleged but any of these damages are subsequently awarded by the court, the filing fees based on the amount awarded shall constitute a first lien on the judgment.

Where the civil action has been filed separately and trial thereof has not yet commenced, it may be consolidated with the criminal action upon application with the court trying the latter case. If the application is granted the trial of both actions shall proceed in accordance with section 2 of this Rule governing consolidation of the civil and criminal actions. (Emphasis supplied)

It is settled that, as a rule, an offended party may reserve the right to institute a civil action. The quoted provision is an exception to the general rule and exclusively applies to a case for violation of BP Blg. 22. It states that the criminal action for violation of BP Blg. 22 is deemed to include the corresponding civil action and that no reservation to file such civil action separately is permitted. However, this prohibition contemplates a situation wherein a reservation to file the civil action arising from BP Blg. 22 is made after the criminal action is filed. It does not bar the institution of a civil action prior to the criminal action for violation of BP Blg. 22.³⁵

Citing the case of *Hyatt Industrial Manufacturing Corp. v. Asia Dynamic Electrix Corp.*,³⁶ this Court explained in *Spouses Lo Bun Tiong and Siok Ching Teng v. Balboa*,³⁷ the rationale behind Section 1(b), Rule 111 of the Rules of Court as follows:

³⁵ Riano, Willard. *Criminal Procedure* (2011), p. 113.

³⁶ 503 Phil. 411 (2005).

³⁷ 566 Phil. 492 (2008).

x x x This rule [Rule 111(b) of the 2000 Revised Rules of Criminal Procedure] was enacted to help declog court dockets which are filled with B.P. 22 cases as creditors actually use the courts as collectors. Because ordinarily no filing fee is charged in criminal cases for actual damages, the payee uses the intimidating effect of a criminal charge to collect his credit gratis and sometimes, upon being paid, the trial court is not even informed thereof. The inclusion of the civil action in the criminal case is expected to significantly lower the number of cases filed before the courts for collection based on dishonored checks. It is also expected to expedite the disposition of these cases. Instead of instituting two separate cases, one for criminal and another for civil, only a single suit shall be filed and tried. It should be stressed that the policy laid down by the Rules is to discourage the separate filing of the civil action. The Rules even prohibit the reservation of a separate civil action, which means that one can no longer file a separate civil case after the criminal complaint is filed in court. **The only instance when separate proceedings are allowed is when the civil action is filed ahead of the criminal case.** Even then, the Rules encourage the consolidation of the civil and criminal cases. We have previously observed that a separate civil action for the purpose of recovering the amount of the dishonored checks would only prove to be costly, burdensome and time-consuming for both parties and would further delay the final disposition of the case. This multiplicity of suits must be avoided. Where petitioners' rights may be fully adjudicated in the proceedings before the trial court, resort to a separate action to recover civil liability is clearly unwarranted.³⁸ (Emphasis and underscoring in the original)

It is clear from the foregoing that a separate civil suit for the recovery of the civil liability in cases of violation of BP Blg. 22, when filed ahead of the criminal case, is allowed.

The proper course of action would have been to suspend the civil action until final judgment has been rendered in the criminal action in accordance with Section 2, Rule 111,³⁹ or to consolidate the civil action with the criminal action. However, in the present case, it is apparent that neither of these directions were pursued by the trial court despite its knowledge of the pendency of the separate civil case.

³⁸ *Id.* at 500.

³⁹ Section 2. *When separate civil action is suspended.* — After the criminal action has been commenced, the separate civil action arising therefrom cannot be instituted until final judgment has been entered in the criminal action.

If the criminal action is filed after the said civil action has already been instituted, the latter shall be suspended in whatever stage it may be found before judgment on the merits. The suspension shall last until final judgment is rendered in the criminal action. Nevertheless, before judgment on the merits is rendered in the civil action, the same may, upon motion of the offended party, be consolidated with the criminal action in the court trying the criminal action. In case of consolidation, the evidence already adduced in the civil action shall be deemed automatically reproduced in the criminal action without prejudice to the right of the prosecution to cross-examine the witnesses presented by the offended party in the criminal case and of the parties to present additional evidence. The consolidated criminal and civil actions shall be tried and decided jointly.

During the pendency of the criminal action, the running of the period of prescription of the civil action which cannot be instituted separately or whose proceeding has been suspended shall be tolled.

The extinction of the penal action does not carry with it extinction of the civil action. However, the civil action based on delict shall be deemed extinguished if there is a finding in a final judgment in the criminal action that the act or omission from which the civil liability may arise did not exist.

To this Court's mind, while the CA correctly found that private respondent is entitled to the face value of the 12 checks, it erred in relying on Section 1(b), Rule 111 of the Rules of Court as its basis for ruling so. The provision is not applicable to the present case since the civil case was instituted ahead of the BP Blg. 22 cases. Instead, the proper basis for ordering petitioner to pay private respondent the face value of the 12 checks should be the Decision⁴⁰ dated May 13, 2015 of the CA in CA G.R. No. 96212, which involved the civil case filed by private respondent against petitioner. The pertinent portion of the Decision is quoted below:

However, We are not unmindful of the fact that on July 22, 2008, appellee filed a Manifestation informing the court *a quo* that it instituted against appellee a separate criminal action for violation of BP 22. In the same pleading, appellee also asked that his claim in Civil Case No. 07-0301 be reduced accordingly. The Court will certainly not allow appellee to recover a sum of money twice in the amount based on the same set of checks. Neither will the Court allow appellee to proceed with two actions based on the same set of checks to increase its chances of obtaining a favorable ruling. In order to prevent double recovery or unjust enrichment on the part of appellee, the said amount of ₱4,444,829.97 must be reduced by ₱1,200,000.00, or the total amount for which the dishonored checks were issued. Thus, We reduce appellant's liability to ₱3,244,829.97.

x x x

WHEREFORE, in light of all the foregoing, the decision dated September 8, 2010 of Branch 257 of the Regional Trial Court of Paranaque City in Civil Case No. 07-0301 is hereby **AFFIRMED** with the **MODIFICATION** in that defendant-appellant Martin R. Buenaflor is hereby ordered to pay plaintiff-appellee Federated Distributors, Inc. the amount of ₱3,244,829.97 with interest rate of six percent (6%) *per annum* from the date of the filing of the complaint until its full satisfaction.⁴¹ (Citations omitted; emphasis in the original)

It is worthy to point out that in the civil case, the counsel of private respondent filed a Manifestation⁴² dated July 22, 2008 stating that:

x x x x

3. The [P]1,200,000.00 representing the total amount of the said checks is a portion of defendant's indebtedness to plaintiff in the sum of [P]4,444,829.97. Accordingly, to avoid double recovery, the amount of the aforesaid dishonored checks, now subject of the criminal cases aforementioned, should be deducted from plaintiff's claim in this case. Thus, [P]4,444,829.97 less [P]1,200,000.00, leaves a balance of [P]3,244,829.97, representing plaintiff's principal claim against defendant in this case. The reason for this

⁴⁰ Decision (CA-G.R. CV No. 96212) dated May 13, 2015. Penned by Associate Justice Sasinando E. Villon, with Associate Justices Ramon Paul L. Hernando and Pedro B. Corales, concurring; CA *rollo* (G.R. No. 37649), pp. 172-181.

⁴¹ *Id.* at 177-180

⁴² *Id.* at 165-167.

Manifestation is Section 1 (b), Rule 111 of the Revised Rules on Criminal Procedure.⁴³

It must be noted that the decision of the CA in the civil case was brought to this Court through a petition for review on *certiorari* under Rule 45 of the Rules of Court docketed as G.R. No. 220841.⁴⁴ In an Entry of Judgment, it was certified that on December 9, 2015, this Court issued a Resolution denying the petition for failure to sufficiently show any reversible error in the challenged decision and resolution as to warrant the exercise of this Court's discretionary appellate jurisdiction.⁴⁵ This Court confirmed that its Resolution became final and executory on June 13, 2016.⁴⁶

Indeed, Article 2177 of the Civil Code provides that "the plaintiff cannot recover damages twice for the same act or omission of the defendant." In this case, since the face value of the 12 checks with a total amount of ₱1,200,000.00 was already deleted to avoid double recovery in G.R. No. 220841, and this ruling had already attained finality on June 13, 2016, private respondent should be permitted to recover the amount in the present case. After all, these checks constitute an evidence of indebtedness of petitioner duly proven during trial yet remain unpaid.

A check is defined as "a bill of exchange drawn on a bank payable on demand."⁴⁷ As a negotiable instrument, it may be discharged under any of the methods enumerated in Section 119 of the Negotiable Instruments Law:

- (a) By payment in due course by or on behalf of the principal debtor;
- (b) By payment in due course by the party accommodated, where the instrument is made or accepted for his accommodation;
- (c) By the intentional cancellation thereof by the holder;
- (d) By any other act which will discharge a simple contract for the payment of money;
- (e) When the principal debtor becomes the holder of the instrument at or after maturity in his own right.

In *Ting Ting Pua v. Sps. Lo Bun Tiong and Siok Ching Teng*,⁴⁸ this Court stressed that a check constitutes an evidence of indebtedness. This Court explained that:

In *Pacheco v. Court of Appeals*, this Court has expressly recognized that a check "constitutes an evidence of indebtedness" and is a veritable "proof of an obligation." Hence, it can be used "in lieu of and for the same purpose as a promissory note." In fact, in the seminal case of *Lozano v. Martinez*, We pointed out that a check functions more

⁴³ *Id.* at 166.

⁴⁴ *Rollo*, p. 131.

⁴⁵ *Id.* at 132.

⁴⁶ *Id.*

⁴⁷ Section 185, Negotiable Instruments Law, Act No. 2031.

⁴⁸ 720 Phil. 511 (2013).

than a promissory note since it not only contains an undertaking to pay an amount of money but is an “order addressed to a bank and partakes of a representation that the drawer has funds on deposit against which the check is drawn, sufficient to ensure payment upon its presentation to the bank.” This Court reiterated this rule in the relatively recent *Lim v. Mindanao Wines and Liquour Galleria* stating that “**a check, the entries of which are in writing, could prove a loan transaction.**”⁴⁹ (Citations omitted; emphases supplied)

Here, the obligation of petitioner to pay the value of the dishonored checks subsists as the checks had not been discharged under any of the modes enumerated above. Therefore, private respondent should be permitted to collect the face value of the 12 checks.

II

FDI did not commit forum shopping in filing the BP Blg. 22 cases after instituting the separate collection suit.

Forum shopping refers to the act of repetitively availing “several judicial remedies in different courts, simultaneously or successively, all substantially founded on the same transactions and the same essential facts and circumstances, and all raising substantially the same issues either pending in or already resolved adversely by some other court.”⁵⁰ This Court has recognized the following instances as modes of committing forum shopping:

(1) filing multiple cases based on the same cause of action and with the same prayer, the previous case not having been resolved yet (where the ground for dismissal is *litis pendentia*); (2) filing multiple cases based on the same cause of action and the same prayer, the previous case having been finally resolved (where the ground for dismissal is *res judicata*); and (3) filing multiple cases based on the same cause of action, but with different prayers (splitting of causes of action, where the ground for dismissal is also either *litis pendentia* or *res judicata*).⁵¹ (Citation omitted)

Here, private respondent did not commit forum shopping. The criminal actions for violation of BP Blg. 22 may be pursued independently from the collection suit provided that there is no double recovery. While both actions are inherently related to one another and involve the same checks, they have different causes of action and the reliefs prayed for are not

⁴⁹ *Id.* at 524-525.

⁵⁰ *Valeriano v. De Castro*, G.R. Nos. 247689-90, April 26, 2021, citing *Chua v. Metropolitan Bank & Trust Co.*, 613 Phil. 143 (2009).

⁵¹ *Id.* at 153-154.

identical. In the criminal case, the primary objective is to punish the offender to deter him and others from committing the same or similar offense. On the other hand, the purpose of the civil action is to recover indebtedness.

To recall, private respondent initially sought to recover in the civil case the value of the 12 checks together with other amounts representing petitioner's indebtedness. However, after instituting the BP Blg. 22 cases, private respondent informed the trial court in the civil case about the BP Blg. 22 cases and asked that the face value of the checks be excluded from the award in the civil case.⁵⁰ This is consistent with Section 5, Rule 7 of the Rules of Court which states:

SECTION 5. *Certification against forum shopping.* — The plaintiff or principal party shall certify under oath in the complaint or other initiatory pleading asserting a claim for relief, or in a sworn certification annexed thereto and simultaneously filed therewith: (a) that he has not theretofore commenced any action or filed any claim involving the same issues in any court, tribunal or quasi-judicial agency and, to the best of his knowledge, no such other action or claim is pending therein; (b) if there is such other pending action or claim, a complete statement of the present status thereof; and (c) **if he should thereafter learn that the same or similar action or claim has been filed or is pending, he shall report that fact within five (5) days therefrom to the court wherein his aforesaid complaint or initiatory pleading has been filed.** x x x (Emphasis supplied)

The fact that private respondent promptly informed the court of the pendency of the BP Blg. 22 cases show that there is no intention to commit forum shopping. The manifestation of private respondent reveals that it did not intend to mislead the court or to claim more than what petitioner actually owes it.

All told, the CA correctly found petitioner liable for the face value of the 12 checks. The previously instituted civil case did not prevent private respondent from claiming the value of the checks in the BP Blg. 22 cases since the issue of double recovery was sufficiently foreclosed.

As a final note, this Court modifies the amount of interest imposed by the CA in its Decision. In *Nacar v. Gallery Frames*,⁵¹ this Court laid down the following guidelines in the imposition of legal interest:

II. With regard particularly to an award of interest in the concept of actual and compensatory damages, the rate of interest, as well as the accrual thereof, is imposed, as follows:

1. When the obligation is breached, and it consists in the payment of a sum of money, *i.e.*, a loan or forbearance of money, the

⁵⁰ CA rollo, pp. 165-166.

⁵¹ 716 Phil. 267 (2013).

interest due should be that which may have been stipulated in writing. Furthermore, the interest due shall itself earn legal interest from the time it is judicially demanded. In the absence of stipulation, the rate of interest shall be **6% per annum** to be computed from default, *i.e.*, from judicial or extrajudicial demand under and subject to the provisions of Article 1169 of the Civil Code.

X X X

3. When the judgment of the court awarding a sum of money becomes final and executory, the rate of legal interest, whether the case falls under paragraph 1 or paragraph 2, above, shall be 6% per annum from such finality until its satisfaction, this interim period being deemed to be by then an equivalent to a forbearance of credit.

And in addition to the above, judgments that have become final and executory prior to July 1, 2013, shall not be disturbed and shall continue to be implemented applying the rate of interest fixed therein.⁵² (Emphasis in the original; underscoring supplied; citation omitted)

Pursuant to this Court's ruling in *Nacar*, the sum of ₱1,200,000.00, representing the face value of the 12 checks, being a forbearance of money, shall earn interest at the rate of twelve percent (12%)⁵³ *per annum* from the filing of the 12 Informations until June 30, 2013 and thereafter, at the rate of six percent (6%)⁵⁴ *per annum* from July 1, 2013 until the finality of this Decision.

The total amount awarded to private respondent, including attorney's fees and costs of suit, shall further earn legal interest at the rate of six percent (6%)⁵⁵ *per annum* from the finality of this Decision until full payment.

WHEREFORE, premises considered, the Decision dated February 6, 2018 and the Resolution dated May 24, 2018 of the Court of Appeals in CA-G.R. CR Nos. 37649 and 37746 are **AFFIRMED with MODIFICATION**.

⁵² *Nacar v. Gallery Frames*, *id.* at 282-283.

⁵³ Central Bank of the Philippines (CBP) Circular No. 905-82 provides:

Section 2. The rate of interest for the loan or forbearance of money, goods, or credits and the rate allowed in judgment, in the absence of express contract as to such rate of interest, shall continue to be twelve per cent (12%) *per annum*.

⁵⁴ Bangko Sentral ng Pilipinas Circular No. 799, Series of 2013, effective July 1, 2013 and amending Section 2 of CBP Circular No. 905-82, states:

Section 1. The rate of interest for the loan or forbearance of any money, goods or credits and the rate allowed in judgments, in the absence of an express contract as to such rate of interest, shall be six percent (6%) *per annum*.

⁵⁵ *Id.*

Petitioner Martin R. Buenaflor is **ORDERED** to pay respondent Federated Distributors, Inc. the amount of ₱1,200,000.00, with interest at the rate of twelve percent (12%) *per annum* from the filing of the 12 Informations until June 30, 2013 and thereafter at the rate of six percent (6%) *per annum* from July 1, 2013 until the finality of this Decision.

Petitioner Martin R. Buenaflor is also **ORDERED** to **PAY** interest on the monetary awards in favor of respondent Federated Distributors, Inc. at the rate of six percent (6%) *per annum* from the date of the finality of this Decision until full payment.

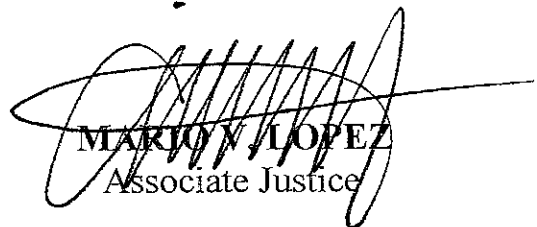
SO ORDERED.


JHOSEP V. LOPEZ
Associate Justice

WE CONCUR:


MARVIC M.V.F. LEONEN
Associate Justice



AMY C. LAZARO-JAVIER
Associate Justice


MARIO V. LOPEZ
Associate Justice


ANTONIO T. KHO, JR.
Associate Justice

ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


MARVIC M.V.F. LEONEN
Associate Justice
Chairperson, Third Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


ALEXANDER G. GESMUNDO
Chief Justice