

### Title: JM Dominguez Agronomic Company, Inc., et al. vs. Cecilia Liclican, et al.

### Facts:

The case revolves around an intra-corporate dispute within JM Dominguez Agronomic Company, Inc. (JMD). On December 29, 2007, during the company's annual stockholders meeting held at the Baguio City Country Club, tensions arose over the election of new directors. A significant contention was Patrick and Kenneth Pacis's eligibility to vote, tracing back to unsettled estates of their predecessors.

Following a walk-out by the respondents, the petitioners proceeded with the election and declared themselves as the new set of officers. Concurrently, respondents executed a board resolution certifying a different set of elected officers. This led to both factions claiming the right to represent the company and managing its affairs.

The petitioners, claiming legitimate control, took possession of corporate properties and filed a criminal complaint for qualified theft against respondents Liclican and Isip, accusing them of unauthorized withdrawal and check issuance from company accounts. The Regional Trial Court (RTC) of Baguio City, under Judge Mona Lisa V. Tiongson-Tabora, found probable cause and issued warrants of arrest.

Respondents filed a petition for certiorari with the Court of Appeals (CA), arguing that a prejudicial question existed due to the pending intra-corporate dispute, which should have suspended criminal proceedings.

### Issues:

1. Whether the civil case (intra-corporate dispute) constituted a prejudicial question for the criminal cases for qualified theft.
2. Whether the trial court judge acted with grave abuse of discretion in issuing warrants of arrest despite the pending intra-corporate dispute.

### Court's Decision:

The Supreme Court found that the CA was correct in determining that the trial court acted with grave abuse of discretion. A prejudicial question indeed existed, warranting the suspension of criminal proceedings until the intra-corporate dispute was resolved. The Court emphasized that without resolution of the civil case, it remained uncertain who had the authority to act on behalf of the corporation. Consequently, the Court affirmed the decision of the CA, annulling the orders for the arrest warrants.

### Doctrine:

The Supreme Court reiterated the principle of a prejudicial question, which necessitates the existence of a civil action that involves an issue so intimately linked with a criminal action that the issue must be preliminarily resolved before the criminal action can proceed. The resolution of such issue in the civil action is determinative of the guilt or innocence of the accused in the criminal case.

### Class Notes:

- **Prejudicial Question**: A concept necessitating the suspension of criminal proceedings pending the resolution of a related civil dispute, when the latter's outcome could impact the criminal case's result.
- **Grave Abuse of Discretion**: Occurs when a lower court or tribunal's decision is capricious, whimsical, or arbitrary, amounting to a lack of jurisdiction.
- **Corporation Code Sections**:
- **Section 23**: Defines the exercise of corporate powers through the board of directors.
- **Section 25**: Details the election and duties of corporate officers, requiring board approval for actions.

### Historical Background:

This case sheds light on the complexities involved in intra-corporate disputes and the legal considerations surrounding the issuance of criminal complaints amidst pending civil matters. It underscores the judiciary's role in safeguarding due process and ensuring that corporate disputes do not lead to unjust criminal proceedings against parties whose authority may be under legitimate contention.