

Title:

Andre L. D'Aigle vs. People of the Philippines, G.R. No. 173073

Facts:

1. **Incident Background:**

In December 1996, Andre L. D'Aigle, then the Managing Director of Samfit Philippines, Inc. (SPI), was entrusted with various company properties. These included electric transformers, electronic and computer boxes, machine spare parts, and raw materials, valued at P681,665.35 in total.

2. **Conflict of Interest:**

D'Aigle was discovered to be a majority stockholder of TAC Manufacturing Corporation (TAC), a company fabricating wire bending machines like those used by SPI. Due to the conflict of interest, SPI dismissed D'Aigle from his position in November 1996 and conducted an audit of its properties.

3. **Audit and Investigation:**

The audit revealed several SPI properties were missing. Further investigation found that some of the company's equipment was housed in TAC's premises. This was confirmed by Daniel Gutierrez, a former TAC employee.

4. **Formal Demand and Non-return:**

SPI's counsel demanded D'Aigle return the properties via a letter dated January 14, 1997, which he ignored. Consequently, he was charged with Estafa (fraud) before the Regional Trial Court (RTC) of San Pedro, Laguna.

5. **Replevin Case:**

SPI also filed a replevin case resulting in the recovery of some of the equipment from TAC's premises.

6. **Defense's Claims:**

D'Aigle claimed his firm fabricated and repaired SPI's machinery, maintaining SPI owed him P900,000.00. Post-dismissal, he kept the equipment as a lien for unpaid salaries and dues.

Procedural Posture:

1. **RTC Decision:**

The RTC convicted D'Aigle of Estafa, sentencing him to an indeterminate penalty of imprisonment ranging from one year, eight months, and twenty days up to twenty years.

Petitioner was also ordered to indemnify SPI P191,665.35.

2. **Appeal to the CA:**

D'Aigle appealed, and the Court of Appeals (CA) affirmed the RTC's decision but modified the penalty to six years and one day of prision mayor as minimum to twenty years of reclusion temporal as maximum.

3. **Motion for Reconsideration:**

The petitioner's motion for reconsideration was denied, which led to the filing of a Petition for Review on Certiorari to the Supreme Court.

Issues:

1. **Validity of CA's Denial of Motion for Reconsideration:**

Did the CA err in denying the reconsideration for lack of valid reasons and justification?

2. **Conviction for Estafa:**

Did the CA err in affirming the RTC's decision, particularly in the assessment of juridical possession and elements required for Estafa under Article 315, paragraph 1(b) of the Revised Penal Code?

Court's Decision:

1. **Denial of Motion for Reconsideration:**

The Supreme Court found the CA's denial of the motion for reconsideration justified, noting that the issues presented were already comprehensively addressed and considered in the CA's decision.

2. **Conviction for Estafa:**

- **Possession Analysis:**

The Court found that D'Aigle had control and juridical possession over the properties, as he was given absolute discretion on their usage as per their intended business transaction.

- **Misappropriation and Conversion:**

Petitioner's failure to return the trust properties upon demand established circumstantial evidence of misappropriation. His defense of retaining them as a lien was deemed irrelevant under the provision, according to established precedent (e.g., Chua-Burce v. Court of Appeals).

- **Corporate Act Argument:**

The Court rejected the argument that the controversy was an intra-corporate matter, stating that petitioner's actions did not constitute corporate acts that shield personal liability for crimes like Estafa.

- **Penalty Adjustment:**

The Court adjusted the minimum term of the indeterminate penalty imposed. D'Aigle was sentenced to four years and two months of prision correccional as minimum to twenty years of reclusion temporal as maximum.

Doctrine:

The "failure to account upon demand, for funds or property held in trust, is circumstantial evidence of misappropriation," establishing misappropriation as part of the crimes under Article 315, paragraph 1(b) of the Revised Penal Code.

Class Notes:

- **Elements of Estafa (Art. 315(1)(b), Revised Penal Code):**

1. Receipt of money or property in trust or on a fiduciary basis.
2. Misappropriation or conversion of the received item.
3. Prejudice to another party.
4. Demand by the offended party for the return.

- **Juridical Possession:**

Juridical possession extends to situations where the recipient has full authority and discretion over the item, aligned with trust or fiduciary obligations.

- **Legal Precedent:**

Chua-Burce v. Court of Appeals underscores that failure to return fiduciary-held property upon demand signifies conversion.

- **Indeterminate Sentence Law Application:**

Minimum and maximum terms must be derived correctly based on the statute, keeping the maximum penalty within the permissible statutory range.

Historical Background:

- **Context:**

Reflects corporate governance issues where higher-level management utilizes company resources for personal gain, illustrating the judicial system's role in ensuring fiduciary duties are upheld.