

ANDRE L. D' AIGLE, PETITIONER, VS. PEOPLE OF THE PHILIPPINES, RESPONDENT.

G.R. No. 174181. June 26, 2012

Ponente: DEL CASTILLO, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-174181/>

DEL CASTILLO, J.:

The “failure to account upon demand, for funds or property held in trust, is circumstantial evidence of misappropriation.”[1]

Before this Court is a Petition for Review on Certiorari under Rule 45 of the Rules of Court seeking a reversal of the Decision[2] dated March 31, 2006 of the Court of Appeals (CA) in CA-G.R. CR No. 25830 which affirmed with modification the Decision[3] dated January 15, 2001 of the Regional Trial Court (RTC), Branch 93, San Pedro, Laguna in Criminal Case No. 0434-SPL convicting petitioner Andre L. D’Aigle of the crime of Estafa. Likewise assailed is the CA Resolution[4] dated August 17, 2006 denying the Motion for Reconsideration[5] thereto.

Factual Antecedents

On June 5, 1997, petitioner was charged with Estafa before the RTC under the following Information:

That in, about and sometime prior to December 1996, in the Municipality of San Pedro, Province of Laguna, Philippines, within the jurisdiction of this Honorable Court, the said accused being then the Managing Director of Samfit Phils. received from said Samfit, Phils. for management, care and custody the following company properties:

- a) Electric transformer worth P16,500.00
- b) Two (2) units of electronic boxes and two (2) units of computer boxes worth P490,000.00
- c) Machine spare parts consisting of
 - set of rack and pinion
 - pair of bevel and gears MB-20-30
 - pair of meter gears 42 teeth
 - set of gears 32 teeth
 - gear bith bearing inserted
 - 3 SL 20 bearings “V” plate
 - one-way clutch
 - one-way bearing CSK 20HC5
 - 8 of LJ 34 bearings “V” type
 - roller bearing 1 x 0
 - 8 pieces of 6200 ZZE bearing with a total value of P12,765.35
- d) [Equipment] and raw materials – valued at P162,400.00

with a total value of SIX HUNDRED EIGHTY ONE THOUSAND, SIX HUNDRED SIXTY FIVE PESOS & 35/100 (P681,665.35)

under the express obligation to use the same for a particular purpose[,] that is, exclusively for the machinery of Samfit Phils. but accused far from complying with his obligation with grave abuse of confidence reposed upon him by his employer, did then and there willfully, unlawfully, and feloniously misapply, misappropriate and convert the aforesaid corporate properties to his own personal use and benefit and despite several demands made upon him, accused refused and failed and still refuses and fails to return or account for the same to the damage and prejudice of Samfit, Phils., represented by its President, Mr. Arturo Parducho, in the aforesaid sum of P681,665.35.

CONTRARY TO LAW.[6]

Petitioner pleaded not guilty upon arraignment and the case was set for pre-trial and trial on the merits.

During trial, the prosecution presented as its principal witness Arturo Parducho (Parducho), Director and President of Samfit Philippines, Inc. (SPI), a corporation primarily engaged in the manufacture of underwires for brassieres. According to him, petitioner was the former managing director of SPI tasked with the management of the company as well as the management, care and custody of SPI's personal properties. At the time that he was holding said position, petitioner was likewise a majority stockholder of TAC Manufacturing Corporation (TAC), an entity engaged in the fabrication of wire bending machine similar to that being used by SPI.[7]

Sometime in November 1996, petitioner was divested of his duties and responsibilities as SPI's managing director[8] due to alleged conflict of business interest. Because of this, Parducho conducted an audit and inventory of SPI's properties and reviewed its financial statements, vouchers, books of account and other pertinent records. He also interviewed some of SPI's employees.[9] These revealed that several properties of SPI such as wire materials, electronic transformer, electronic and computer boxes, machine spare parts, while still under the management, care and custody of petitioner, went missing and were left unaccounted for.[10] Further investigation revealed that some of SPI's wire bending machines, computer and electronic boxes were inside the premises of TAC. This was confirmed by Daniel Gutierrez, a former employee of TAC, who likewise admitted that TAC copied the wire bending machines of SPI.[11]

In a letter dated January 14, 1997,[12] SPI's counsel formally demanded upon petitioner to turn over to SPI all its equipment under his care and custody. Ignoring the demand, petitioner was thus indicted with the present case. SPI also filed a replevin case against him for the recovery of the electronic and computer boxes. Subsequently, and by virtue of the Writ of Replevin,[13] an electronic box found inside TAC's premises was recovered from petitioner while a computer box was later on surrendered to the Sheriff.

In his defense, petitioner alleged that his engineering firm TAC fabricated spare parts for SPI on a daily basis. Aside from this, it also did the repair and maintenance of SPI's machines. He also claimed that he had an understanding with SPI that TAC would support SPI's operation until its business standing improves. And since petitioner only had a 10% share in SPI, TAC would fabricate for it two additional machines valued at \$60,000.00 each so that he could get additional 40% share therein. Under this set-up, Samfit UK would provide the micro stepping motors and motor drives as well as the control panels. However, petitioner was not able to finish fabricating the bending machines as he was dismissed by SPI. As a consequence, he filed a labor case against it before the Department of Labor and Employment.

Petitioner further claimed that SPI owes him about a million pesos for the repairs of its machines. While he admitted that SPI's electronic transformer, computer boxes and motor drives were recovered while in his possession thru a writ of replevin, he reasoned out that he did not return them to SPI after his dismissal because he

intended to exercise his right of lien over them since he has properties which were still in the possession of SPI, collectibles amounting to P900,000.00, and unpaid one-month salary of P80,000.00. Finally, he denied having appropriated the computer boxes for his own benefit.[14]

Ruling of the Regional Trial Court

After trial, the RTC found that the prosecution had established the guilt of petitioner for the crime of Estafa under paragraph 1(b), Article 315[15] of the Revised Penal Code (RPC). It ratiocinated that the unjustified failure of petitioner to account for and deliver to SPI, upon demand, the properties entrusted to his care, custody and management is sufficient evidence of actual conversion thereof to his personal use. The dispositive portion of the RTC Decision[16] rendered on January 15, 2001 reads:

WHEREFORE, the Court hereby sentences accused ANDRE D' AIGLE to suffer an indeterminate penalty of imprisonment of one (1) year, eight (8) months and twenty (20) days of prision correccional as minimum to twenty (20) years of reclusio[n] temporal as maximum; to indemnify private complainant in the amount of P191,665.35 and to pay costs.

SO ORDERED.[17]

Aggrieved, petitioner seasonably appealed to the appellate court.

Ruling of the Court of Appeals

In a Decision[18] dated March 31, 2006, the CA denied petitioner's appeal and affirmed with modification the trial court's Decision, viz:

WHEREFORE, the decision of the Regional Trial Court of San Pedro, Laguna (Branch 93), dated January 15, 2001, in Criminal Case No. 0434-SPL, is modified to the effect that appellant is sentenced to an indeterminate sentence of six (6) years and one (1) day of prision mayor, as minimum, to twenty (20) years of reclusion temporal, as maximum. The decision is AFFIRMED in all other respects.

SO ORDERED.[19]

Petitioner's Motion for Reconsideration[20] was likewise denied in a Resolution[21] dated August 17, 2006.

Hence, this petition with the following assignment of errors:

I

THE COURT OF APPEALS ERRED IN DENYING PETITIONER-ACCUSED'[S] MOTION FOR RECONSIDERATION FOR LACK OF VALID REASONS/JUSTIFICATION.

II

THE COURT OF APPEALS ERRED IN AFFIRMING THE DECISION OF THE LOWER COURT, (RTC-BRANCH 93, SAN PEDRO, LAGUNA), AND AT THE SAME TIME MODIFYING THE EXTENT OF THE PENALTY [IMPOSED] FOR THE CRIME ALLEGEDLY COMMITTED.[22]

Our Ruling

After a circumspect consideration of the arguments earnestly pressed by the petitioner vis-à-vis that of the respondent People of the Philippines (respondent), and in the light of the practically parallel finding of facts and conclusions of the courts below, this Court finds the instant petition partly meritorious.

Concerning the first assigned error, the Court finds no cogent reason to sustain petitioner's claim that the

appellate court erred in denying his Motion for Reconsideration without valid reason or justification. The reason for the appellate court's denial of petitioner's Motion for Reconsideration is clear and simple, that is, after it made a thorough evaluation of the issues and arguments proffered in the said motion, the CA found that same were already passed upon and duly considered in its assailed Decision. This is very plain from the contents of the August 17, 2006 Resolution of the CA denying petitioner's Motion for Reconsideration. Undoubtedly, petitioner's motion for reconsideration was denied due to a valid reason and justifiable cause.

Petitioner also bemoans the fact that the dispositive portion of the trial court's Decision did not expressly mention that he was found guilty beyond reasonable doubt of the crime charged. Suffice it to say, however, that a judgment is not rendered defective just because of the absence of a declaration of guilt beyond reasonable doubt in the dispositive portion. The ratio decidendi of the RTC Decision extensively discussed the guilt of the petitioner and no scintilla of doubt against the same was entertained by the courts below. Indeed, petitioner's guilt was duly proven by evidence of the prosecution. In any event, a judgment of conviction, pursuant to Section 2, Rule 120 of the Rules of Court, is sufficient if it states: "1) the legal qualification of the offense constituted by the acts committed by the accused and the aggravating or mitigating circumstances which attended its commission; 2) the participation of the accused in the offense, whether as principal, accomplice or accessory; 3) the penalty imposed upon the accused; and 4) the civil liability or damages caused by his wrongful act or omission to be recovered from the accused by the offended party, if there is any, unless the enforcement of the civil liability by a separate civil action has been reserved or waived." We find that all of these are sufficiently stated in the trial court's Decision.

Anent the second assigned error, petitioner posits that the CA erred in affirming the said RTC Decision and in modifying the penalty imposed upon him since the prosecution failed to establish beyond reasonable doubt all the elements of estafa. He argues that Article 315, paragraph 1(b) of the RPC requires that the person charged was given juridical possession of the thing misappropriated. Here, he did not acquire juridical possession of the things allegedly misappropriated because his relation to SPI's properties was only by virtue of his official functions as a corporate officer. It is actually SPI, on whose behalf he has acted, that has the juridical possession of the said properties.

Respondent, through the Office of the Solicitor General, on the other hand counters that the prosecution's evidence has fully established all the elements of the crime charged. Based on SPI's records, petitioner received from it various equipment of SPI on several occasions for the sole purpose of manufacturing underwires for brassieres. However after the conduct of an audit in December 1996, petitioner failed to properly account therefor.

Petitioner's arguments fail to persuade.

Entrenched in jurisprudence are the following essential elements of Estafa under Article 315, paragraph 1(b) of the RPC:

- That money, goods or other personal properties are received by the offender in trust or on commission, or for administration, or under any other obligation involving the duty to make delivery of or to return, the same;
- That there is a misappropriation or conversion of such money or property by the offender or denial on his part of such receipt;
- That such misappropriation or conversion or denial is to the prejudice of another; and
- That there is a demand made by the offended party on the offender.[23]

All these elements have been sufficiently established by the prosecution.

Petitioner asserts that as majority stockholder of TAC, he entered into a business transaction with SPI wherein it would fabricate bending machines and spare parts for the latter. Under their agreement, SPI would provide the necessary components to be used in the fabrication as well as the electronic devices while work would be done at petitioner's premises. Pursuant to this, petitioner admitted to having received from SPI an electronic transformer, electronic box and a computer box.[24] When petitioner, however, was not able to finish the work allegedly due to his dismissal from SPI, the latter demanded for the return of its properties. However, petitioner did not heed the demand and simply kept the properties as lien for his claims against SPI.[25]

From petitioner's own assertions, the existence of the first and fourth of the aforementioned elements is very clear. SPI's properties were received by the petitioner in trust. He received them for a particular purpose, that is, for the fabrication of bending machines and spare parts for SPI. And when SPI made a demand for their return after petitioner's alleged dismissal therefrom, petitioner deliberately ignored the same.

The Court cannot agree with petitioner's postulation that he did not acquire juridical possession of SPI's properties since his relation with the same was only by virtue of his official function as SPI's corporate officer. As borne out by the records, the equipment subject matter of this case were received in trust by petitioner from SPI to be utilized in the fabrication of bending machines. Petitioner was given absolute option on how to use them without any participation on the part of SPI. Thus, petitioner acquired not only physical possession but also juridical possession over the equipment. As the Court held in *Chua-Burce v. Court of Appeals*:[26]

When the money, goods or any other personal property is received by the offender from the offended party (1) in trust or (2) on commission or (3) for administration, the offender acquires both material or physical possession and juridical possession of the thing received. Juridical possession means a possession which gives the transferee a right over the thing which the transferee may set up even against the owner. x x x

With regard to the element of misappropriation or conversion, the prosecution was able to prove this through circumstantial evidence. "Misappropriation or conversion may be proved by the prosecution by direct evidence or by circumstantial evidence." [27] The "failure to account upon demand, for funds or property held in trust, is circumstantial evidence of misappropriation." [28] As mentioned, petitioner failed to account for, upon demand, the properties of SPI which were received by him in trust. This already constitutes circumstantial evidence of misappropriation or conversion of said properties to petitioner's own personal use. Even if petitioner merely retained the properties for the purpose of preserving his right of lien over them, same is immaterial because, to reiterate, failure to return upon demand the properties which one has the duty to return is tantamount to appropriating the same for his own personal use. As correctly noted by the CA:

We are not impressed by appellant's excuse. We note that SPI's demand for the return of the properties subject of this case was made on January 14, 1997. At that time, appellant was no longer the managing director of SPI, he having been terminated from his position on November 19, 1996. This observation, coupled with SPI's demand for the return of its equipment and materials, show that appellant had lost his right to retain the said properties and the fact that he failed to return or at least account for them raises the presumption of misappropriation and conversion. x x x [29]

Lastly, it is obvious that petitioner's failure to return SPI's properties valued at P191,665.35 caused damage and prejudice to the latter.

In a last ditch effort to evade liability, petitioner claims that the controversy between him and SPI is an intra-corporate controversy considering that he was a stockholder of the latter. Such being the case, he avers that his conviction for estafa has no basis.

Contrary, however to petitioner's stance, by no stretch of imagination can the Court consider the controversy

between him and SPI as an intra-corporate controversy. As correctly pointed out by the CA:

Finally, we find no cogent basis, in law and in fact, which would support appellant's allegation that the acts complained of in this case were corporate acts. His allegation without more that he had an agreement with Mr. Bernie Kelly of SPI to the effect that his (appellant's) share in SPI would be increased to 40% in exchange for two bending machines does not give his act of retaining the properties a semblance of a corporate act. There is also no evidence that he acted on behalf of TAC Manufacturing Corporation, much less of SPI. Premises considered, we do not agree that appellant's actuation should be considered as a corporate act, for which he claims he could not be held personally liable. x x x[30]

Regarding the credibility of prosecution witnesses, the RTC found said witnesses to be credible and therefore their testimonies deserve full faith and credence. The CA for its part, did not disturb the trial court's appreciation of the same. It is a well-entrenched doctrine "that factual findings of the trial court, especially when affirmed by the appellate court, are accorded the highest degree of respect and are considered conclusive between the parties." [31] Though jurisprudence recognizes highly meritorious exceptions, none of them obtain herein which would warrant a reversal of the challenged Decision. Thus, the Court accords deference to the trial court's appreciation of said testimonies. Accordingly, the RTC's finding of petitioner's guilt, as affirmed by the CA, is sustained.

The proper imposable penalty

The penalty in estafa cases as provided under paragraph 1, Article 315 of the RPC is prision correccional in its maximum period to prision mayor in its minimum period if the amount of the fraud is over P12,000.00 but does not exceed P22,000.00. If the amount involved exceeds the latter sum, the same paragraph provides the imposition of the penalty in its maximum period with an incremental penalty of one year imprisonment for every P10,000.00 but in no case shall the total penalty exceed twenty (20) years imprisonment.

In the present case, petitioner poses no serious challenge to the amount involved which is P191,665.35. Since said amount is in excess of P22,000.00, the penalty imposable should be within the maximum term of six (6) years, eight (8) months and twenty-one (21) days to eight (8) years of prision mayor.[32] "[A] period of one (1) year shall be added to the penalty for every additional P10,000.00 defrauded in excess of P22,000.00, but in no case shall the total penalty which may be imposed exceed twenty (20) years." [33] Hence, sixteen (16) years must be added to the maximum term of the penalty of prision mayor. And since same exceeds twenty (20) years, the maximum term should be pegged at twenty (20) years of reclusion temporal. Applying now the Indeterminate Sentence Law, the penalty next lower than that prescribed by law which is prision correccional in its maximum to prision mayor in its minimum is prision correccional in its minimum to medium periods. "Thus, the minimum term of the indeterminate sentence should be anywhere from six (6) months and one (1) day to four (4) years and two (2) months x x x." [34]

Prescinding from the foregoing discussion, the Court finds that the CA correctly pegged the penalty in its maximum term of twenty (20) years of reclusion temporal but erred in imposing the minimum term of six (6) years and one (1) day of prision mayor as same is beyond the lawful range. Thus, the Court sets the minimum term of the indeterminate penalty at four (4) years and two (2) months of prision correccional. Accordingly, petitioner is hereby sentenced to suffer the indeterminate penalty of four (4) years and two (2) months of prision correccional as minimum to twenty (20) years of reclusion temporal as maximum.

WHEREFORE, the petition is DENIED. The Decision and Resolution of the Court of Appeals in CA-G.R. CR No. 25830 dated March 31, 2006 and August 17, 2006, respectively, are hereby AFFIRMED with the MODIFICATION that petitioner is sentenced to suffer an indeterminate penalty of imprisonment of four (4) years

and two (2) months of prision correccional as minimum to twenty (20) years of reclusion temporal as maximum.

SO ORDERED.

Carpio,[*] Leonardo-De Castro,**] (Acting Chairperson), Villarama, Jr., and Perlas-Bernabe,[***] JJ., concur.

[*] Per raffle dated June 25, 2012.

[**] Per Special Order No. 1226 dated May 30, 2012.

[***] Per Special Order No. 1227 dated May 30, 2012.

[1] Lee v. People, 495 Phil. 239, 250 (2005).

[2] CA rollo, pp. 162-181; penned by Associate Justice Aurora Santiago-Lagman and concurred in by Presiding Justice Ruben T. Reyes and Associate Justice Rebecca De Guia-Salvador.

[3] Records, vol. II, pp. 500-507; penned by Judge Francisco Dizon Pano.

[4] CA rollo, pp. 225-226.

[5] Id. at 182-216.

[6] Records, vol. I, pp. 1-2.

[7] TSN, January 28, 1998, pp. 6-7.

[8] Exhibit "A", records, vol. I, p. 196.

[9] TSN, January 28, 1998, p. 9.

[10] Exhibit "B", records, vol. I, p. 227-230.

[11] TSN, July 13, 1998, pp. 4-5.

[12] Exhibit "L", records, vol. I, p. 207.

[13] Exhibit "N", id. at 212-213.

[14] TSN, November 11, 1998, pp. 14-16.

[15] Article 315. Swindling (estafa) – Any person who shall defraud another by any of the means mentioned hereinbelow x x x

x x x x

(b) By misappropriating or converting, to the prejudice of another, money, goods or any other personal property received by the offender in trust, or on commission, or for administration, or under any other obligation involving the duty to make delivery of, or to return the same, even though such obligation be totally or partially guaranteed by a bond; or by denying having received such money, goods, or other property.

[16] Supra note 3.

[17] Records, vol. II, p. 507.

[18] Supra note 2.

[19] CA rollo, p. 180.

[20] Supra note 5.

[21] Supra note 4.

[22] Rollo, p. 43.

[23] Cruzvale, Inc. v. Eduque, G.R. Nos. 172785-86, June 18, 2009, 589 SCRA 534, 545.

[24] TSN, November 11, 1998, p. 14.

[25] Id. at 14-15.

[26] 387 Phil. 15, 26 (2000).

[27] Lee v. People, supra note 1.

[28] Id.

[29] CA Decision p. 13; CA rollo, p. 174.

[30] Id. at 16; id. at 177.

[31] Philippine Health-Care Providers, Inc. (Maxicare) v. Estrada, G.R. No. 171052, January 28, 2008, 542 SCRA 616, 621.

[32] See Diaz v. People, G.R. No. 171121, August 26, 2008, 563 SCRA 322, 339.

[33] Id.

[34] Id.

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.