

FIRST DIVISION

[G.R. No. 188742, October 13, 2009]

**SUPERLINES TRANSPORTATION COMPANY, INC., PETITIONER,
VS. EDUARDO PINERA, RESPONDENT.**

R E S O L U T I O N

CORONA, J.:

Sometime in 2004, Zeny Iligan sent a letter to petitioner Superlines Transportation Company, Inc. complaining against respondent Eduardo Pinera for allegedly misappropriating the P1,000 which she sent her children thru petitioner Superlines. Petitioner immediately investigated the complaint. It informed respondent of the allegations against him and ordered him to answer the same. Respondent admitted using the money for his personal needs. Thus, petitioner terminated respondent's employment on June 18, 2004 and notified him of its decision.

Subsequently, respondent filed a complaint for illegal dismissal with the labor arbiter asserting that petitioner did not have any just or valid cause for terminating his employment. In a decision dated March 23, 2007,^[1] the labor arbiter dismissed the complaint for lack of cause of action. She found that respondent's dismissal was legal as he was guilty of serious misconduct.

On appeal, the National Labor Relations Commission (NLRC) affirmed the decision of the labor arbiter *in toto*.^[2]

On petition for certiorari in the Court of Appeals (CA), the appellate court held that misappropriation did not constitute serious misconduct, hence, respondent was illegally dismissed. Thus, the CA set aside the decision of the NLRC and remanded the matter to the labor arbiter for the computation of respondent's backwages, service incentive leave pay and holiday pay as well as attorney's fees.^[3]

Petitioner moved for reconsideration but it was denied.^[4] Hence, this petition.

We grant the petition.

An employee who fails to account for and deliver the funds entrusted to him is liable for misappropriating the same and is consequently guilty of serious misconduct.^[5] Petitioner therefore validly dismissed respondent.

WHEREFORE, the December 5, 2008 decision and July 9, 2009 resolution of the Court of Appeals in CA-G.R. SP No. 102097 are hereby **REVERSED** and **SET ASIDE**. The August 31, 2007 resolution of the National Labor Relations Commission in NLRC CN. RAB IV 08-19687-04-Q CA No. 052520-07 is **REINSTATED**.