SUPREME COURT
THIRD DIVISION

JOHNSON G. CHUA,
***Petitioner*,**

-versus-

G.R. No. 81450
February 15, 1990

NATIONAL LABOR RELATIONS COMMISSION (Third Division) and JESUS G. CHUA,
***Respondents*.**
x----------x

D E C I S I O N

GUTIERREZ, JR., *J.*:

Can the vice-president be held jointly and severally liable with the corporation for the unpaid wages of the company's former president? This is the issue presented before us in the instant petition.

City Air International Brokerage Corporation is a family corporation with the private respondent, Jesus Chua, serving as its president from October, 1984 up to the time of his resignation in March, 1985 while the petitioner, Johnson Chua is the vice-president.

On May 13, 1985, the private respondent filed a complaint with the National Labor Relations Commission (NLRC) for illegal dismissal

and recovery of unpaid wages for the period November 15, 1984 up to March 31, 1985.

After the parties had filed their respective position papers, Labor Arbiter Amelia Guloy rendered a decision, the dispositive portion of which reads:

> "WHEREFORE, respondent City Air International Corporation and/or Mr. Johnson Chua is hereby ordered to pay complainant his unpaid wages of P29,250.00." (Rollo, p. 9)

On appeal to the National Labor Relations Commission (NLRC), the Third Division affirmed the decision of the Labor Arbiter in a resolution dated June 30, 1987. A motion for reconsideration was likewise denied on December 7, 1987.

The petitioner filed the present petition. There is no question that the private respondent is entitled to his wages while serving as president and employee of the company. As borne out by the records, the private respondent was paid the sum of P9,750.00 for his first monthly remuneration as president of City Air International Brokerage. The records also show that the corporation's accountant had already prepared the statement of account showing private respondent's unpaid salary in the amount of P29,250.00. The amount was confirmed by Mr. Hernani C. Belamide, a certified Public Accountant who examined and audited the corporation's financial statements for the period October 1, 1984 up to March 31, 1985. Undeniably, the private respondent is entitled to his salary during the period he served as president of the corporation.

The petitioner, however, argues that he cannot be held personally liable for the unpaid wages of the private respondent. He contends that the corporation alone, which has a personality separate and distinct from its members or stockholders, should be the one held liable for corporate obligations.

We resolve the issue in the light of the precedent set in the case of A.C. Ransom Labor Union CCLU vs. National Labor Relations Commission (142 SCRA 269 [1986]). In this case, the Court set aside the decision of the NLRC upholding the personal non-liability of the

individual officers and agents of the corporation unless they have acted beyond the scope of their authority. In thus reversing in the NLRC decision, the Court ruled that the president or presidents of the corporation may be held liable for the corporation's obligations to its workers.

The Court explained:

> "(c) Employer includes any person acting in the interest of an employer directly or indirectly. The term shall not include any labor organization or any of its officers or agents except when acting as employer.'
>
> "Since RANSOM is an artificial person, it must have an officer who can be presumed to be the employer, being the 'person acting in the interest of employer,' RANSOM. The Corporation, only in the technical sense, is the employer."
>
> "The responsible officer of an employer corporation can be held personally, not to say even criminally, liable for non-payment of backwages." (At p. 273-274; Emphasis supplied)

x x x

This Court continued:

x x x

> "(d) The record does not clearly identify 'the officer or officers of RANSOM directly responsible for failure to pay the backwages of the 22 strikers. In the absence of definite proof in that regard, we believe it should be presumed that the responsible officer is the President of the corporation who can be deemed the chief operation officer thereof. Thus, in RA 602, criminal responsibility is with the 'manager or in his default, the person acting as such.' In RANSOM, the President appears to be the Manager." (At p. 274)

In the instant case, it was correct for the private respondent to have impleaded the petitioner in the complaint considering that the latter

was the highest and most ranking official of the corporation after the private respondent had resigned. Certainly, there should be an officer directly responsible for the failure to pay the wages of the corporation's president. In this case, such officer happened to be the vice-president.

Moreover, there are peculiar circumstances attendant to this case which point to the petitioner as the person also directly responsible to the private respondent for his salaries. These lead us further to sustain the decision of the NLRC.

It is the general rule that findings of fact of quasi-judicial agencies which have acquired expertise because their jurisdiction is confined to specific matters are accorded not only respect by this Court but at times even finality if such findings are supported by substantial evidence. (Arica vs. National Labor Relations Commission, G. R. No. 78210, February 28, 1989; Johnson and Johnson Labor Union - FFW vs. Director of Labor Relations, G. R. No. 76427, February 21, 1989; Reyes vs. Ministry of Labor, G. R. No. L-48705, February 9, 1989). The instant case is not an exception to the rule. There is substantial evidence to support the decision.

As found by the labor arbiter, the private respondent and petitioner are brothers, serving as the president and vice-president respectively of the family corporation. At the time of the filing of the complaint for illegal dismissal and unpaid wages or commission by the private respondent the petitioner, as Vice-President, was the highest and most ranking official of said corporation. He caused the preparation and verified the position paper dated August 6, 1985, the appeal memorandum dated December 20, 1985, and the motion for the reconsideration of the NLRC decision on August 10, 1987. He showed personal interest in the case of Jesus Chua despite the fact that a new corporate president in the person of Jose Beltran had been elected on May 20, 1985. Beltran could have handled this case in behalf of the corporation but he did not do so. Since the records fail to show that the petitioner was authorized by the corporation to pursue or defend the case filed against it by the private respondent and yet the petitioner personally acted in the case and showed keen interest in its progress, he must be held responsible for its outcome. The records show that personal animosity existed between these two (2) brothers.

With the petitioner's manifest interest in the case and his being the top officer after his brother was eased out, there is enough reason to believe that the petitioner had a hand in the dismissal of the private respondent. We, therefore, see no reversible error committed by the NLRC in applying Article 289 of the Labor Code which provides:

> "ART. 289. Who are liable when committed by other than natural person. — If the offense is committed by a corporation, trust, firm, partnership, association or any other entity, the penalty shall be imposed upon the guilty officer or officers of such corporation, trust, firm, partnership, association or entity."

WHEREFORE, the Petition is hereby **DISMISSED**. The questioned Decision of the National Labor Relations Commission is **AFFIRMED.**

SO ORDERED.

Fernan, *C.J.*, *(Chairman)*, Feliciano, Bidin and Cortes, *JJ.*, concur.
