**SUPREME COURT**
**EN BANC**

**HEIRS OF TEODOLO M. CRUZ, (represented by ARSENIA, FREDESWINDA, TEODOLO, JR., ERLINDA, EDGARDO and MYRNA, all surnamed CRUZ), MARY CONCEPCION and EDGARDO CRUZ,**
***Petitioners*,**

***-versus-***

**G.R. Nos. L-23331-32**
**December 27, 1969**

**COURT OF INDUSTRIAL RELATIONS, SANTIAGO RICE MILL and KING HONG AND COMPANY,**
***Respondents*.**
**x----------x**

**LYDIA BULOS, PACIENCIA BATOON, NATIVIDAD V. MALGAPO, FAUSTINO ABEDOZA, CARMELITA AGGASID, LYDIA ALBINO, JUANITO ANDRES, LEONILA ANDRES, AIDA BATOON, CORNELIO BANGOT, PABLO BAUTISTA, CONSOLACION GALAD, AVELINA CADUAS, ELENA DE LA CRUZ, VICTORIANO DE LA CRUZ, LEOCADIO DASALLA, VIRGINIA DASALLA, FLORA S. DUCAY, CRESENCIA EVIDENCIO, CATALINO GIMENEZ, DIONISIA GUILLERMO,**

**ARSENIA LABASAN, FRANCISCO LAPLANO, DIONISIO LABASAN, MAURICIA LAZATIN, LORETA MACAPAGAL, IGNACIA LUNA, FELICITA MANGADAP, FELICIDAD MARIANO, JUAN MELCHOR, ANITA MENDOZA, ALBERTO MIGUEL, FERNANDO NAVALTA, PEDRO NOOL, JUANITA ORANI, MARGARITA PASION, BRIGIDA SOLA, HILARIA SOLA, NEMESIA SOLA, VERONICA SOLA, CECILIA SOLIVEN, MANUEL SAGABAIN, FILEMON SAGABAIN, ANICETA RESPONSO, FELICIANO RICO, PETRONILA RIVERA, ROSALINA TULAWAN and MARIA VILLANUEVA,**

***Petitioners*,**

***-versus-***

**G.R. Nos. L-23361-62**
**December 27, 1969**

**THE COURT OF INDUSTRIAL RELATIONS, HONORABLE EMILIANO TABIGNE, HONORABLE AMANDO BUGAYONG, HONORABLE ANSBERTO PAREDES, ASSOCIATE JUDGES, COURT OF INDUSTRIAL RELATIONS; SANTIAGO RICE MILL; KING HONG CO., INC.; SANTIAGO LABOR UNION alias MAGAT LABOR UNION,**

***Respondents*.**

**x----------x**

**D E C I S I O N**

**TEEHANKEE, *J.*:**

These cases are separate appeals filed by respective petitioners from respondent Court's Orders of November 8, 1963 and March 9, 1964 approving by a split 3 to 1 vote the settlement for P110,000.00 of the estimated P423,756.74 — judgment liability of respondent firm in favor of the claimants-members of the Santiago Labor Union, executed on November 8, 1963 between respondent firm and the labor union as represented by a majority of its board of directors. The appeals are jointly resolved in this decision.

Petitioners in Cases L-23331-32 are the retained lawyers of the Santiago Labor Union who question respondent Court's approval of respondent firm's settlement of the union members' judgment claims with the union board of directors, without their knowledge and consent, notwithstanding their duly recorded attorneys' lien, and over the objection of a board member that the union board had no authority to compromise or quit-claim the judgment rights of the union members.[1]

Petitioners in Cases L-23361-62 are forty-nine (49) claimants-members of the Santiago Labor Union who assail respondent Court's approval of the questioned settlement, without their authority as the real parties in interest, and who denounce the settlement as unconscionable and having been entered into by the majority of the union board "under circumstances of fraud, deceit, misrepresentation and/or concealment, especially where a member of the Court has actively used his official and personal influence to effect the settlement which is manifestly unjust to laborers who by reason of their financial disadvantages in a conflict with their employers need all the aid of the Court for their protection, consonant with law, justice and equity."[2]

The factual background goes as far back as June 21, 1952, when the Santiago Labor Union, composed of workers of the Santiago Rice Mill, a business enterprise engaged in the buying and milling of palay at Santiago, Isabela, and owned and operated by King Hong Co., Inc., filed before the respondent Court of Industrial Relations Cases Nos. 709-V and V-1 thereof, a petition for overtime pay, premium pay for

night, Sunday and holiday work, and for reinstatement of workers illegally laid off. As of then, the total sum claimed by the workers, as itemized in their amended petition of September 2, 1952 — P100,81.36 for overtime pay, P19,350.00 for premium pay and P3,360.00 for differential pay under the Minimum Wage Law — amounted to P123,526.36.[3]

As recorded in this Court's decision of August 31, 1962, in Santiago Rice Mill, et al. vs. Santiago Labor Union,[4] which affirmed the Court of Industrial Relations judgment in favor of the workers, "on September 19, 1958, after a protracted hearing during which scores of witnesses and voluminous exhibits were presented, the court, thru Judge Emiliano G. Tabigne, rendered decision dismissing the petition of the union for lack of merit and want of jurisdiction; but, upon a motion for reconsideration, the Court of Industrial Relations en banc, by a split decision of 3-2 vote, issued a resolution reversing the decision of the trial judge. The dispositive part of said resolution reads:

> "'WHEREFORE, the respondents are hereby ordered to pay the overtime claim of both male and female claimants herein computed at their basic pay for each period in question; the legal premium for night, Sunday and holiday work or services rendered by the male claimants herein computed also on the proven basic wage or salary at the time in question; to pay the overtime claim of their drivers computed on their respective monthly salaries; to pay the differentials due each of the women claimants on their wages from August 4, 1951 at the rate of P2.00 daily and P3.000 daily from August 4, 1952; and to reinstate the claimants both male and female, who have testified and proved their having been illegally laid-off, with the right of respondents to deduct from the back wages due each claimant any amount earned during the period of the illegal dismissal.'"

The workers' decade of travail was not yet to be at an end, however, despite this Court's affirmance of the judgment for the workers. After the remand of the records for enforcement by respondent Court, and the corresponding examination of books, said Court's Chief Examiner filed his Partial Report of December 14, 1962, wherein the judgment

award in favor of the workers was determined and computed, as follows:

(a) For back wages from January 1, 1953 to April 30, 1962 of all the 35 employees and laborers (26 women workers, 6 laborers and 3 drivers) who testified in court, per dispositive part of the judgment, "before deducting the amounts earned during the period of the back wages by each claimant and before deduction of amounts corresponding to the back wages of claimants who died before April 30, 1962" at P6,380.00 for each of the 32 workers and P28,000.00 for each of the 3 drivers.....P288,160.00

(b) For overtime and premium pay from January 1, 1948 to December 31, 1952 of some 104 workers, in varying amounts[5].....25,216.74

(c) For minimum wage differentials of P2.00 daily from September 10, 1951 to December 31, 1951 of 60 women workers.....10,380.00

TOTAL P423,756.74
========

Petitioners claim, furthermore, that "in this computation, however, the field examiners did not include the claims of seventy (70) other laborers whose total claims (for back wages), at the rate of P6,300.00 each, would be P441,000.00. Therefore, the correct grand total amount due the laborers would be P864,756.74."[6]

The Chief Examiner's Report showed respondent firm's total assets as at October 31, 1962 to be P191,151.08 (cash account of P148,411.20, fixed assets of buildings, machinery & equipment, corn mill, etc. with a book value of P40,073.75 and deferred charges of P2,666.14), and its net worth to be in the same amount of P191,151.08, (capital stock paid up of P232,000.00 less deficit of P40,848.92). The Report further stated that in January, 1962 and on August 9, 1962, respondent firm sold its trucks, jeep and one car, with a net book value of P2,628.71 for P27,000.00 or a net gain of P24,371.29.

Petitioners claim that the book value of respondent firm's fixed assets is only one-sixth of their actual market value of P240,442.50, and that its total leviable assets therefore amounted to close to P390,000.00, without taking into account the huge income potential of its rice mill operations. Respondent firm disputes such a figure as "completely gratuitous and without basis in fact."[7]

A general opposition to the Chief Examiner's Report was filed by respondent firm. Judge Emiliano G. Tabigne, as the trial judge, supra, ordered a hearing thereon on December 22, 1962, as a condition precedent to execution of the judgment. Such Report was submitted for resolution and approval at the hearing of December 22, 1962, but the records before us fail to show that the trial judge ever acted on or approved the Report.

Before and after the submittal of the Chief Examiner's Report of December 14, 1962, the union pressed for execution of the final judgment in favor of its claimants-members. It filed, furthermore, on December 20, 1962, an Urgent Motion for Preliminary Attachment, in view of the disposition by respondent firm of its trucks and automotive equipment and by virtue of the fact admitted by respondent firm that it had stopped operations preparatory to liquidation, by reason of the alien nationality of most of its stockholders, under the provisions of Republic Act No. 3018 nationalizing the rice and corn industry. In another motion of December 4, 1962, the union had asked that the Court at least order respondent firm to put up a bond of P500,000.00 to answer for the payment of the judgment or to deposit said amount in Court.

Petitioners assert that these motions were left hanging until the union filed a mandamus petition with this Court,[8] after which the trial judge issued and released on April 15, 1963 his Order dated March 30, 1963. In this Order, the trial Judge, recognizing that "petitioner (union) and its members concerned should be extended the necessary protection of their lights" ordered respondent firm, within 10 days from its finality, to deposit in Court the sum of one hundred thousand (P100,000.00) pesos and to file a surety bond of equal amount, "to guarantee the payment of whatever amount (a) due petitioner (union) and its members concerned after this Court shall have finally decided the obligation of herein respondents under the judgment." This Order

was affirmed by respondent court en banc, in its Resolution denying respondent firm's motion for reconsideration thereof.

Respondent sought a review by this Court of the said Order and Resolution requiring it to deposit P100,000.00 and to file a surety bond of equal amount to guarantee payment of its judgment obligation in Santiago Rice Mill, et al. vs. Santiago Labor Union, etc., docketed as Cases G.R. Nos. L-21758-59 of this Court. This Court, in its Resolution of September 20, 1963, dismissed for lack of merit respondent's petition for review, and the dismissal became final on October 24, 1963.

Earlier, on June 25, 1963, pursuant to the request of the parties, who had advised the trial judge that they would meet at the premises of respondent firm at Santiago, Isabela, to take up direct negotiations for the possible settlement of the judgment, a team of employees of the Court had been sent to help in the negotiations. The transcript of the negotiations records that respondent had then offered the Union the maximum amount of P110,000.00 in full settlement of its obligations to the members-claimants of the Union under the judgment, but that the union rejected the offer and counter-offered the minimum amount of P200,000.00.

The union meanwhile filed to no avail a series of urgent motions on May 8, July 1, August 29 and September 6, 1963 for approval of the Chief Examiner's Partial Report of December 14, 1962 and for enforcement, through a writ of execution or contempt proceedings, of the Order of March 30, 1963 requiring respondent firm to deposit an total of P200,000.00 in cash and bond to guarantee payment of the judgment. Upon the finality of this Court's Resolution dismissing respondent's petition for a review of said Order of March 30, 1963, the union again filed on October 29, 1963 still another Urgent Motion, advising the trial judge of this Court's action rejecting respondent's appeal and invoking the Court's ministerial duty of enforcing its said Order — in vain again, as shall presently be seen.

The trial judge took no action on this latest Urgent Motion of the union, wherein it emphasized that respondent, with this Court's action rejecting its appeal, no longer had any excuse for refusing to comply with the deposit Order. Instead, an unscheduled conference

was called and held on October 31, 1963 in the chambers of the trial judge, and attended by representatives of respondent firm, including their counsels of record, on one hand and Segundino S. Maylem, president of the union and eight directors of the union, on the other. Four of these nine union representatives, including the union president himself, had no claims or awards whatever under the judgment. Said union officials were not assisted by counsel, as petitioner Mary Concepcion, counsel of record of the union, was not present, not having been notified of the conference.

At this conference of October 31, 1963, respondent firm made again the same offer to settle and quitclaim the judgment in favor of the union members for the same amount of P110,000.00, which offer had already been rejected by the union at the earlier conference held on June 25, 1963 at Santiago, Isabela, supra. But this time, as appears from the transcript of the conference, respondent and the directors of the union decided to settle the case amicably with the payment by the firm of the same amount of P110,000.00 which was deposited with the Court's disbursing officer "immediately upon the signing of the settlement which will be prepared by the respondent firm through its counsel." The complete transcript of the conference, as reproduced by respondent in its brief, follows:

> "COURT:
>
> "The parties have solicited the intervention of the Court for the settlement of this case. They have decided to settle it amicably with the condition that the management pay ONE HUNDRED TEN THOUSAND PESOS (P110,000.00) cash, and that the said amount will be deposited with the Disbursing Officer of this Court immediately upon the signing of the settlement which will be prepared by the respondent firm through its counsel. Now, Mr. Maylem, make your manifestation on record.
>
> "MR. MAYLEM:
>
> "As per unanimous decision of the present members of the board composing of nine, the three are not members of the board, present before this Honorable Court to date, (sic) they have agreed to accept the proffer of ONE HUNDRED TEN

THOUSAND PESOS (P110,000.00) as full settlement of their claims in Cases Nos. 709-V and 709-V(1).

"ATTY. GARCIA:

"In behalf of the respondent and the management of the said respondent and also in behalf of Mr. Pino, who is the attorney-in-fact of the respondent corporation, with full power to enter into this settlement, we wish to manifest and inform this Honorable Court that the acceptance of the proffer of P110,000.00 in full settlement of the claims of petitioners is with the full agreement of the said respondent. We are disposed to deposit the amount of P110,000.00 on or about Friday, November 8, 1963, and said deposit to be made with the Disbursing Officer of this Court and said deposit to be in certified checks of a local bank and which is actually equivalent to cash. In line further with the suggestion of the Honorable Judge, we are willing to assume the payment of the deposit fee upon our depositing the said amount of P110,000.00. There is a previous understanding which was not made of record as to the fact that to enable the members of the board of directors of the petitioner union to come back to Manila next week to enable them to sign the settlement papers, we have agreed to advance the sum of TWO HUNDRED PESOS (P200.00) to the petitioner for the account of said settlement and which will be used by the said petitioners in their travelling expenses between Manila and Santiago, going and coming.

"COURT:

"Noted.

"MR. MAYLEM:

"We request the Court that Mrs. Mary Concepcion should be present during the signing of the agreement on or about November 8, 1963, at 2:30 P.M.

"COURT:

"NOTED."[9]

As against the official transcript of the proceedings of the conference above reproduced, petitioner Natividad Magalpo, a director of the union, together with petitioners Lydia Bulos and Paciencia Batoon, both union members-claimants, filed on November 5, 1963, through their present counsel, who duly entered their appearance, their verified "Manifestation and Objection with Ex-Parte Urgent Motion," relating what transpired at the conference, charging the union president, Maylem, with bad faith in that he never previously advised the union representatives that the conference of October 31, 1963 was to discuss a compromise settlement nor that this Court's resolution dismissing respondent's appeal from the trial judge's Order dated March 30, 1963 requiring respondent to deposit P200,000.00 in cash and surety bond had already become final, and asking the trial judge to shelve the proposed settlement until respondent firm shall have complied with the said deposit order. The pertinent portions of said Objection and Urgent Motion read:

"3. That during the conference, the matter of amicably settling the case was discussed; petitioners representatives pressed for at least P150,000.00 as a fair amount and the representatives of the respondents were insisting on their offer of a definite sum of P10,000.00;

"4. That in the course of the conference, no mention at all was made of the entry of judgment in G.R. Nos. L-21758-59, Supreme Court of the Philippines, entitled 'Santiago Rice Mill, et al. vs. Santiago Labor Union, etc.' on October 24, 1963, thereby becoming final, and executory; that the aforesaid entry of judgment reads as follows:

> 'After a consideration of the allegation of the petition filed in cases L-21758 and L-21759 (Santiago Rice Mill, etc. vs. Santiago Labor Union, et al.) for review of the order and resolution of the Court of Industrial Relations referred to therein, the COURT RESOLVED to dismiss the petition for lack of merit.'

"5. That by the terms of the afore-cited entry of judgment, the Respondent's, in effect, are ordered to deposit the sum of P100,000 in cash, Philippine Currency and similar amount P100,000 in surety bond, pursuant to the order of this Honorable Court of March 30, 1963, which was affirmed in the above-cited Supreme Court resolutions;

"6. That as a consequence of the ignorance of the Board of Directors of Petitioner of this entry, then present, they tentatively agreed to the offer of P110,000.00 of Respondents, until November 8, 1963 when the final conference before this Honorable Court will be held;

"7. That movants consented to come to Manila on the understanding that the conference was to be held with the Attorney-in-fact of the petitioner, the 'CREAM, INC.', formerly, Credit Research and Intelligence, its exclusive authorized representative for the evaluation, adjustment and liquidation of its claim against Respondent, that they were very much taken back in having been taken to the Court of Industrial Relations on October 31, 1963 by the President of the Petitioner, Mr. Segundino S. Maylem; that even while they were already inside the building, they were never informed that the purpose was to talk about a compromise settlement with Respondent's representatives; as a result of these circumstances, your movants although present, were not able to register their objections to the proceedings; that immediately after the aforesaid conference, the herein movants came to know of the entry of judgment in the Supreme Court, infra; (sic)

"8. That the herein Movants register and manifest their objections to the proceeding held and to the tentative agreement manifested by the Board of Directors of the Santiago Labor Union then present, on the following grounds:

a) That the Board of Directors did not have any express authority of the members of the Santiago Labor Union to enter into any compromise for the sum of

P110,000.00; on the contrary, the latest authority granted its Attorney-in-fact, the 'CREAM, INC.' was for the sum of P150,000.00 which authority was given only, very recently;

b) That the proceedings on October 31, 1963 was tainted by apparent bad faith on the part of the President of the Petitioner, Mr. Segundino S. Maylem, in that there never was a time before the conference when he intimated or otherwise made known to the movants, that a conference would be held before Judge Emiliano Tabigne. The only reason for the trip to Manila was the conference with 'CREAM, Inc.' officials;

c) That the effect of the entry of judgment in G.R. Nos. L-21758-59, infra, was not explained to the members of the Board of Petitioner at any time, much less made known, although it was later ascertained that President Segundino S. Maylem all the time, BEFORE THE CONFERENCE, knew of the existence of the order; what was emphasized was the claim of the Respondents that they are unable to pay more than P110,000.00; (Italics supplied.)

d) That the amount of P110,000.00 is unconscionable, considering that the total claims of the members of the Petitioner, is more than P400,000, not to mention that all the time the negotiations were being made the Supreme Court's final order makes mandatory Respondent's deposit of P100,000, cash in Philippine Currency and P100,000 in surety bond.

"9. That Movants vehemently disagree to any settlement as tentatively agreed upon, for, in effect, they will only get fourteen percent, (14%) approximately, or one-seventh of the amounts as computed by the Chief Examiner of this Honorable Court;

x x x

"WHEREFORE, it is respectfully prayed that:

"a) Respondent be required to deposit the sum of P100,000.00 in cash, Philippine Currency, and P100,000.00 in surety bond, pursuant to the entry of judgment in G.R. Nos. L-21758-59;

"b) That these movants be afforded opportunity by this Honorable Court to be heard regarding the surety bond to be submitted by the Respondent, before approval thereof;

"c) The tentative settlement be shelved;

"d) Any further action on any settlement or compromise be held in abeyance to await compliance by the Respondent of the entry of judgment in G.R. Nos. L-21758-59;

"e) Hearings on the Report of the Chief Examiner be resumed immediately and without interruption in view of the provisions of Republic Act 3108, until final termination as soon as possible long before December 31, 1963."[10]

There petitioners further filed on the same date, November 4, 1963 an urgent Ex-parte Motion for the issuance of a writ of execution for the enforcement of the deposit order against respondent firm, and asked the trial judge to act on their two urgent motions upon receipt thereof.

Both urgent motions were totally ignored by both the trial judge as well as by respondent firm, despite due notice on the latter. The request of the union president, Maylem, at the October 31, 1963 conference that the trial judge have the union counsel present during the proposed signing of the settlement agreement set for November 8, 1963, as expressly noted by the trial judge, was likewise ignored. Notwithstanding that notice of the conference set for November 8, 1963 at 2:30 p.m. was served on November 5, 1963 on the union

counsel, petitioner Mary Concepcion, the scheduled conference was never held.

Unexplainedly, Maylem, the union president and nine other members of the union's board of directors (out of 13 board members) even before the scheduled hour of the conference on November 8, 1963 at 2:30 p.m. had earlier executed a "Settlement" on said date, without the knowledge, advice, and conformity of the union counsel, with respondent firm's attorney-in-fact, who was duly assisted by respondent's two counsels, who likewise executed the "Settlement." In this "Settlement", the said union officials claiming to act "with the authorization of the Board of Directors and its members, "in consideration of the sum of P110,000.00, or one-fourth of the estimated P423,756.74-judgment liability of respondent firm, as computed in the respondent Court's Chief Examiner's Partial Report of December 14, 1962, "waived and quitclaimed any and all claims it (the union) may have against the respondent as well as the claim of each and every one of the members of the said petitioner union against the respondent firm." The union further "warranted" in said "Settlement" "that aside from the petitioner (union) itself and the members thereof, there are no other persons who have any interest over the judgment debt and that if it should happen that other persons shall make a claim against the respondent and/or said judgment debt, that the respondent, nevertheless, shall no longer be liable therefor."[11]

The "Settlement" was immediately submitted to the trial judge who forthwith on the same day, November 8, 1963, issued his Order, approving the same, and entered into respondent Court's records at 1:45 p.m. of the same day, as follows:

> "Considering that the bases of the above quoted settlement is well founded and justified and not contrary to law, morals and/or public policy, approval of the same is, therefore, in order.
>
> "WHEREFORE, the Court hereby approves the settlement of the parties in these cases; and shall as between the parties to the same be deemed to be a decision and/or award in these matters therein treated in the aforesaid settlement; and upon

> acknowledgment of the sum of money in the said settlement, these cases shall be deemed closed and terminated."

Petitioners-lawyers Mary Concepcion, et al. upon learning of the "Settlement" and respondent's deposit with the Court of the sum of P110,000.00 in pursuance thereof filed in the afternoon of November 8, 1963 a motion for withdrawal of the sum of P33,000.00 equivalent to their 30% contingent fee, without prejudice to such action as they may take for enforcing their lien to its full extent. The trial judge granted such motion in its Order of November 9, 1963. In due course, said petitioners moved for reconsideration and setting aside of the trial judge's Order of November 8, 1963 approving the "Settlement" and prayed respondent Court en banc to reinstate the judgment against respondent and to enforce the deposit order dated March 30, 1963.

Petitioners Magalpo, Bulos and Batoon, likewise moved respondent Court en banc to reconsider and set aside the trial judge's approval of the "Settlement", in disregard of their objection and pending motions of November 5, 1963 to shelve the proposed settlement and to enforce the deposit Order. On December 26, 1963, they were joined in their plea for reconsideration by forty-seven other union members-claimants, Co-petitioners at bar.

Respondent, on the other hand, filed its opposition to the motions for reconsideration, questioning the personality and interest of petitioners-movants Magalpo and her 2 other co-movants and asserting that they were bound by the "Settlement" entered into by their union's board of directors. It alleged that it had deposited with respondent Court the sum of P110,000.00 stipulated in the "Settlement" on the same day of its approval by the trial judge. It filed with respondent Court on November 21, 1963 a letter of ratification dated November 10, 1963 addressed to the trial judge and purportedly signed by some 79 union members-claimants confirming and accepting the settlement executed by the union board. Petitioners in their brief list 21 of these signatures as questionable, asserting that they are at variance with other corresponding signatures in the Payroll dated November 8, 1963 submitted to respondent Court on November 21, 1963, such that "either one or the other signature is a forgery." Respondent counters that there is "absolutely no truth to the

claim" and that the signers of the ratification letter "have all received their individual shares of the P100,000.00 settlement paid by respondent company and this in itself is a ratification on their part of said settlement." Nothing appears in the record, however, as to whether and in what manner the respondent Court determined the authenticity of the signatures. Respondent further filed on December 18, 1963 a motion for reconsideration of the trial judge's Order approving payment of P33,000.00 to the petitioners-attorneys by way of attorneys' fees.

On August 1, 1964, and August 4, 1964, after petitioners had filed on November 29, December 2 and 17, 1963 and January 16, 1964 various urgent motions to set for hearing and for resolution, they were served with copies of respondent Court's en banc Resolution dated March 9, 1964, penned by the trial judge, "finding no sufficient justifications to set aside, disturb or modify the Order issued in these cases on November 8 and 9, 1963" and denying all three motions for reconsideration. Judges Amando C. Bugayong and Ansberto F. Paredes concurred under date of July 29, 1964 with the Resolution, while Judge Arsenio Martinez took no part. No statement of the material allegations of, and issues raised in, the pertinent pleadings set out in detail hereinabove nor reasons for the conclusion of insufficient justification reached by the majority resolution are given therein.

Then Presiding Judge Jose S. Bautista dissented. "Taking into account the precipitate approval of settlement over the objection of some union members concerned and without hearing them, on the strength simply of the manifestation of the petitioner's Board of Directors that it had authority to compromise when previously said union members concerned had already manifested in Annex "E" (Exhibit "G", at bar) that there was no such authority," he voted "that the case be restored to the status quo as of October 30, 1963, but the payment already made to the union members be considered as partial payments on account, subject to final liquidation and adjustment; that an order of execution of the judgment in cases Nos. G.R. L-21758 and L-21759 of the Supreme Court be issued (upholding the Order of March 30, 1963 for deposit of P200,000.00 in cash and surety bond) be issued and that the Hearing Officer shall resume the hearing of the Examiner's Report.

Hence, the appeals of petitioners.

The Santiago Labor Union, impleaded as party respondent in Cases L-23361-62, filed its Answer on September 24, 1964, "putting its weight behind the prayers of the petitioners." The Answer reveals that the union members, feeling betrayed, had disauthorized and removed from office Maylem, the union president and his board of directors who had executed the "Settlement" with respondent firm and disclaimed the documents of ratification that they had signed at the behest of Maylem. The union averred in its Answer that:

> "a) The real parties in interest in Cases 709-V and 709-V(l), CIR, are the members of respondent Labor Union;
>
> "b) The records of the respondent labor union do not show any grant by the members to the former incumbency of any previous authority to negotiate the claim or subsequent ratification of the settlement for P110,000.00 for it is unthinkable and ridiculous for the real parties in interest to give away gratuitously what had been awarded to them in a final judgment, for a much lesser amount than that of the award;
>
> "c) The members are unanimous in the assertion that the documents they signed at the behest of former President Segundino S. Maylem were represented and understood to be but an authority to collect a part of the court award to the members;
>
> "d) That the records of the respondent labor union disclose that the members of the union have unanimously acted, in their individual capacities to proceed with the prosecution and collection of whatever sums they might yet be entitled to collect, in order to show unequivocally that the negotiation made by former President Segundino S. Maylem and his board of directors was unauthorized, and to spotlight the betrayal of the members of the Union by said Segundino S. Maylem and his board of directors of the former union incumbency;

"e) That fundamentally, there is no contentious issue between the petitioners and respondent labor union; if at all, the only distinction is between the personality of the real parties in interest, the union members who have initiated and instituted this petition as against the limited and formal personality of the respondent labor union to represent them when so authorized by their collective will."[12]

The core question is whether this Court can give its sanction to respondent Court's majority resolution upholding the trial judge's approval of the union board's settlement for P110,000.000 of the estimated P423,766.74-judgment liability of respondent firm in favor of the individual union members, over the timely opposition formally filed by three members (later joined by forty-seven other members) expressly calling attention to the union board's bad faith in the premises and lack of any express authority to enter into the settlement, and without giving the union the opportunity of being heard and assisted by counsel, and notwithstanding the fact that respondent firm, which had sufficient cash and fixed assets, was under legal compulsion by virtue of respondent court's own final order to deposit P100,000.00 in cash and another P100,000.00 in surety bond to guarantee payment of the union members' judgment claims?

The question answers itself. The precipitate approval of the purported settlement under the circumstances goes against the grain of fundamental considerations of justice, equity and due process.

1. To begin with, petitioners were not accorded due process of law, when, for reasons unexplained in the record, the conference set for November 8, 1963 at 2:30 p.m. to take up formally the proposed settlement was cancelled and never held. (supra, pp. 8-9) Notice thereof had been served on the union counsel, in accordance with the express request of the union president, as expressly noted by the trial judge. Yet, such notice was deliberately disregarded and the union was deprived of the assistance of its counsel.[13] Instead, the settlement as unilaterally drafted by respondent's counsel (supra, p. 7) was executed ahead of the scheduled hour of the

conference that turned out to be a non-conference, by the union president with nine other members of the union's board of directors, without the knowledge, advice and conformity of the union counsel, while respondent was duly assisted by its two counsels. By 1:45 p.m. of the same day, the settlement had been approved by the trial judge as "not contrary to law, morals and public policy." Similarly, petitioners Magalpo, a board member herself and her co-petitioners Bulos and Batoon were not accorded an opportunity for a fair hearing on their grave charges against the union leadership and their urgent motions to shelve the proposed settlement and to enforce the final order of respondent court requiring respondent firm to deposit P200,000.00 in cash and surety bond for satisfaction of the union members' judgment, as said motions were totally ignored by the trial judge and not touched upon at all in his Order rashly approving the settlement.

2. The lack of due deliberation and caution in the trial judge's instant approval of the settlement is seen from the stipulations therein that the union thereby waived and quitclaimed any and all claims which it may have against the respondent, as well as the claim of each and every one of the members of the union against respondent, when precisely the authority of the union board members to enter into any such compromise or settlement was under express challenge by petitioner Magalpo, a board member herself in her Objection and Urgent Motion to shelve the settlement filed on November 5, 1963, which the trial judge completely disregarded. Petitioner Magalpo further made serious charges that Maylem, the union president, had misled the board members into attending the unscheduled conference held on October 31, 1963 before the trial judge, and had deliberately concealed from them the fact of entry on October 24, 1963 of the Order of this Court in G.R. Nos. L-21758-59 upholding the P200,000.00 deposit Order of respondent court and the effect thereof of making mandatory upon the trial judge, in accordance with the terms of his own order, the issuance of a writ for execution or enforcement to compel respondent to so deposit P100,000.00 in cash and an

equal amount in surety bond to guarantee satisfaction of the union members' judgment against respondent. In point of facts, the union's own Urgent Motion of October 29, 1963, emphasizing that respondent no longer had any excuse for not complying with the deposit order, as well as petitioner Magalpo, et al.'s Urgent ex parte motion of November 4, 1963 to the same effect were pending before the trial judge, unresolved and unacted upon. Petitioners Magalpo, et al. had reason therefore, to assail the proposed settlement for P110,000.00 as unconscionable, when at the very least the union members could be assured of P200,000.00 under the deposit order to satisfy their judgment credit, while the report of respondent court's examiner showed that respondent firm had sufficient assets, (supra, p. 5), and considering that their partial judgment credit, as estimated by respondent court's examiner, amounted to more than P400,000.00.

3. The trial judge's rush approval of the settlement disregarded the grave adverse consequences thereof to the union members. The settlement, as prepared by respondent's counsel, provided for a union warranty that aside from the union itself and the members thereof, "there are no other persons who have any interests over the judgment debt and that if it should happen that other persons shall make a claim against the respondent and/or said judgment debt, that the respondent, nevertheless, shall no longer be liable therefor." Such warranty was against the very facts of record, which showed that as early as June 21, 1963, petitioners-counsels in Cases L-23331-32 had duly recorded their attorneys' lien of "30% of whatever amount may finally be awarded in favor of the petitioner." Thus, technically, since the award in favor of the union members amounted to more than P400,000.00, the settlement for P110,000.00 would conceivably just about cover the 30% attorneys' fees payable to the petitioners-counsels under the contract, if they were so minded to enforce it and bad faith on the union's part were shown, with the union members left holding an empty bag.[14] Such onerous terms of the settlement could not then properly be

approved by the trial judge as "not contrary to law, morals and public policy.

4. All these underscore the failure of due process when petitioners were deprived of the formal conference on the proposed settlement scheduled for November 8, 1963 and of their right to be assisted by the union counsel as expressly requested, so that a fair hearing could be accorded petitioners and an opportunity afforded them to air their serious charges of bad faith and lack of authority against the union leadership. Certainly, all these serious questions and charges made by petitioners could have been threshed out and verified, if the formal conference scheduled for November 8, 1963 had been held with the presence of union counsel, considering that the latter likewise had a right to be heard, since they had duly made of record their attorneys' lien upon the judgment.[15] Respondent, in its brief, asserts that it vividly remembers that the trial judge repeatedly made mention of the p200,000.00 deposit order during the unscheduled conference of October 31, 1963 and "even explained the matter to the members of the board in their native dialect." But the transcript of the conference reproduced above (supra, pp. 7-9) does not bear out this assertion. The transcript is obviously deficient and does not reflect the actual discussions and proceedings. This is to be deplored, for in a matter of such great importance, especially where the union officials were unassisted by counsel in an unscheduled conference, care should be taken by the trial judge that the proceedings are faithfully recorded. Thus, although the transcript again fails to make any mention of it, respondent, in its brief, in effect provides support for petitioners' plaint against the unscheduled conference and precipitate approval of the settlement behind the back of union counsel, when it states that "the presiding judge tried to help the parties reach a settlement by stressing to the union that there was no sense in demanding more than P110,000.00 from the respondent if that was all it could afford, and that any more delay in the execution of its award to the union members might lead to their getting much less than the P110,000.00 already being offered by respondents,"

and "while it is true that the presiding judge took an active part in helping the parties reach such settlement, it was only in line with the policy of the law encouraging settlement of cases even after final judgment."[16] The obvious fallacy of this untenable posture assumed by the trial judge, of course, is that with this Court having upheld his P200,000.00 deposit order, it made every sense to enforce execution of said order, which it was practically his ministerial duty to do so, to assure the union members of recovery of their judgment credit at the very least to the extent of P200,000.00, as the trial judge had expressly recognized therein that "petitioner (union) and its members concerned should be extended the necessary protection of their rights." Any further delay in the execution of the judgment award in favor of the union members could readily be obviated, if the trial judge would but expedite the hearings for approval of the Court examiner's Report which had been filed and left pending since December 14, 1962. As correctly contended by petitioners, he could have placed the union members, unassisted as they were by counsel, on an equal footing in negotiating with respondent by a mere stroke of his pen by ordering the enforcement of his final P200,000.00 deposit order, as to which there no longer existed any obstacle. We find the forcing through of the settlement, under such circumstances, arbitrary, unfair and unconscionable.

5. Another vital reason for striking down the settlement is the lack of any express or specific authority of the president and majority of the union board of directors to execute the same and scale down the estimated P423.756,-74-judgment liability of respondent firm in favor of the individual union members to P110,000.00. On the contrary, petitioner board member Magalpo timely challenged the authority of the union board to execute any such settlement, expressly informing the trial judge that the union had specifically appointed an entity in Manila, the "CREAM, Inc.", formerly Credit Research and Intelligence, as its attorney-in-fact and "exclusive authorized representative for the evaluation, adjustment and liquidation of its claim against respondent." Forty-seven other union members-claimants joined

petitioner Magalpo in their denunciation of the union board's unauthorized action, and in their plea for reconsideration with respondent court. Forty-nine union members-claimants entitled to the bulk of the judgment award have filed this appeal from the adverse rulings of the Court below. These union members have repudiated the former union president, Maylem and his board of directors, for having betrayed the union members, and the new union leadership, in its Answer filed with the Court, has joined petitioners in their prayer for redress, categorically asserting that the union records do not show any grant by the members to the former union board under Maylem to "negotiate the claim or subsequent ratification of the settlement for P110,000.00" which is "unthinkable and ridiculous." (supra, p. 15) Under such circumstances, the letter of ratification of the settlement purportedly signed by some 79 members, many of whose signatures thereon are denounced as forgeries and which ratification was not authenticated in the proceedings below and has been expressly disowned by petitioners herein, cannot be given any legal significance or effect.

6. When it is further taken into consideration that the judgment award, as affirmed by this Court's decision of August 31, 1962,[17] was for the payment of overtime, premium and differential pay to the individual union members as claimants and for the reinstatement of the individual union members who testified and proved their having been illegally laid-off, which represent a personal material interest directly in favor of the individual union members, as against the lack of material interest on the part of the union as such, the union's lack of authority to execute the settlement, in the absence of express or specific authorization by the union members, becomes patent. The authority of the union as such, to execute a settlement of the judgment award in favor of the individual union members, cannot be presumed but must be expressly granted.

7. Recently, in the analogous case of La Campana Food Products, Inc. etc. Employees Ass'n vs. Court of Industrial

Relations, et al.,[18] this Court ruled upon the merits of the union's appeal, and set aside the Industrial Court's questioned orders which would reopen its previous judgment finding the employer guilty of unfair labor practice and ordering the reinstatement of, and payment of back wages from December 4, 1963 to, twenty-one (21) union members. In handing down its decision, this Court disregarded the petitioner union's motion to dismiss the appeal, filed through new counsel while the case was pending decision, alleging that the union's legislative council had adopted a resolution relieving the former union counsel of his services and authorizing the dismissal of the case, on the premise that such dismissal "would serve the best interests of both parties who are now in the process of formulating a collective bargaining agreement in their earnest desire to establish industrial peace and promote the economic well-being of all the parties concerned." For this Court ruled that the union's loss of interest in the case was no ground for dismissing the case, since "the labor union as a body in reality has not so great a material interest in the controversy as would prejudice it in the event of dismissal. It is the twenty-one (21) members for whose benefit the ULP case was prosecuted who stand to take tremendous losses" and suffer injustice. Upholding the individual union members in their stand of vindicating their rights acquired under the final judgment as against the union's legislative council's resolution to dismiss the case, this Court, speaking through Mr. Justice Sanchez, thus held: —

> "We now come to the motion to dismiss filed in this Court on March 10, 1969 by new counsel for petitioner. In that motion, we read the averment that the petitioning union, 'after careful and serious consideration of their Petition, taken in the light of recent developments affecting their relationship with the respondent-company, have decided that they have lost interest in the further prosecution of their claims'; that the union's legislative council, on February 5, 1969, adopted a resolution authorizing the new counsel to file a motion dismissing this case; that the former

counsel who directed this case before this Court, Atty. Eulogio R. Lerum, had been relieved of his services in a letter of the union dated January 13, 1969; and that 'the dismissal of this instant case would serve the best interests of both parties who are now in the process of formulating a collective bargaining agreement in their earnest desire to establish industrial peace and promote the economic well-being of all parties concerned.' This drew a reply from Atty. Eulogio R. Lerum that 'while he admits that he had received termination notice from the alleged officers of the above-named union, he had not been disauthorized by the complainants who had retained him to appear in their behalf' and that 'said complainants are against the dismissal of their case for the reason that they want to vindicate their rights and it is against public policy to settle an unfair labor practice by amicable settlement (Sec. 5[a], Rep. Act 875).'

"While it may be true that the labor union itself has lost interest in the case, we do not believe that such should give ground for the dismissal of this case. The labor union as a body in reality has not so great a material interest in the controversy as would prejudice it in the event of dismissal. It is the twenty-one (21) members for whose benefit the ULP case was prosecuted who stand to take tremendous losses. Nor is the argument that union and employer are now in the process of formulating a collective bargaining agreement of any consequence. That would not be affected by the decision we now render as an aftermath of the ULP case. Unless of course such a dismissal is a quid pro quo before the parties could sit around the bargaining table. Which surely enough is not to the 'best interests' of the laborers.

"And, as we examine the record, we observe none of the members of the legislative council who adopted the resolution relied upon in the motion to dismiss is personally affected by the decision rendered by the CIR

in Case 3985-ULP. That decision, it will be recalled, directs private respondents herein not only to reinstate the twenty one (21) union members with out loss of seniority and other benefits and privileges but also to pay their respective backwages from December 4, 1963, date of filing of the charge, basis of the complaint, until actual reinstatement. It is easy enough to perceive the injustice which may be visited upon these twenty-one (21) union members if the petition herein were to be dismissed. For then, a new trial will be had, with the consequent trouble, expense, anxiety and another long delay before they could enjoy the fruits of their victory which they have legally and definitely won only after a long and protracted legal battle. At any rate, it is better on balance that we foreclose a flanking movement which could destroy rather than uphold the rights — to reinstatement and monetary award — of individual laborers acquired under the final judgment.

8. Just as this Court has stricken down unjust exploitation of laborers by oppressive employers, so will it strike down their unfair treatment by their own unworthy leaders. The Constitution enjoins the State to afford protection to labor.[19] Fair dealing is equally demanded of unions as well as of employers in their dealings with employees. The union has been evolved as an organization of collective strength for the protection of labor against the unjust exactions of capital, but equally important is the requirement of fair dealing between the union and its members, which is fiduciary in nature, and arises out of two factors: "one is the degree of dependence of the individual employee on the union organization; the other, a corollary of the first, is the comprehensive power vested in the union with respect to the individual."[20] The union may, be considered but the agent of its members for the purpose of securing for them fair and just wages and good working conditions and is subject to the obligation of giving the members as its principals all information relevant to union and labor matters entrusted to it. As already discussed above, the union leadership in the case at bar was recreant in its duty towards the union

members in apparently having failed to disclose to the union members the full situation of their judgment credit against respondent, to wit, that they were in the advantageous position of being able to require enforcement of the respondent court's P200,000.00-deposit order, and in presuming that it had authority to waive and quitclaim the estimated P423,756.74-judgment credit of the union members for the unconscionable amount of P110,000.00, which had already been previously rejected by the workers. Respondent firm could not claim that it dealt in good faith with the union officials, for it hastily executed the purported settlement notwithstanding the serious charges of bad faith against the union leadership, and the non-holding of the scheduled conference where the union leaders, at their express request, could be duly assisted by union counsel. It is noteworthy that respondent never filed with the court below any denial or responsive pleading traversing the factual allegations in petitioner Magalpo's Manifestation and Objection charging that at the unscheduled conference of October 31, 1963, the proposed settlement was in effect railroaded with the fact of the finality of the P200,000.00 deposit order not having been disclosed to the union representatives. Such failure on the part of respondent constitutes an implied admission of the material averments. Respondent's justification now that it did not file any responsive pleading or denial because Magalpo and her co-petitioners had no personality to file their pleadings as they were not parties to the cases in the lower court is of no avail, for they were actually the awardees and beneficiaries under the judgment against respondent and the union was but their agent. Deplorable also is the failure of the trial judge to defer precipitate action on approval of the settlement until the union could be afforded the opportunity of a hearing thereon duly assisted by counsel, and failure later of the majority of respondent court in the reconsideration proceedings, as well, to look seriously into the grave charges of bad faith and deception against the union officials and their lack of authority to execute the settlement. All of these charges were just swept under the rug, and summarily dismissed, without even being mentioned, in the unreasoned en banc

Resolution, finding arbitrarily as against the facts herein collated by this Court from the pertinent pleadings and annexes furnished it, "no sufficient justification to set aside, disturb or modify" the questioned approval of the settlement.

9. The cases of Jesalva, et al. vs. Bautista,[21] and Diomela, et al. vs. Court of Industrial Relations,[22] cited by respondent, clearly have no application in the present case. In Jesalva, seventeen cases in different stages of hearing or execution before the Industrial Court were settled by a compromise agreement, and this Court held that the three petitioners who questioned the settlement were "bound by the actions of the Union, that is to say, a majority of the members of the union." There was no question there that the union had acted with the authority of the union membership. No deceit or concealment or misrepresentation tainted the settlement. Neither was the amount of the settlement denounced as unconscionable. The employer there, Premiere Productions, Inc., agreed to pay the amount of P200,000.00 which appeared to be a reasonable settlement as against the judgment credit of the union workers, and further agreed to lease to the union its equipment and facilities for the Union to produce two moving pictures, apparently to cover the other wage claims of the union workers which were still pending trial and resolution. In Diomela, the labor-management disputes were settled amicably with the unfair labor practice charge against the employer, Squibb and Sons, (Phil.) being withdrawn, upon motion signed by the union president and the three employees against whom the acts of unfair labor practice charged in the complaint had been allegedly committed, to which motion the Court's prosecutor gave his conformity, and with the employer, which had secured a permanent writ of injunction restraining the strikers who had apparently declared an illegal strike, against the commission of acts of violence, threats and intimidation, agreeing to pay three months separation pay to each striking employee. There was no question, therefore, of the authority of the union president to withdraw the unfair labor practice charge, as the three employees directly affected had cosigned the withdrawal motion with him. The

subsequent move of Diomela and 23 co-petitioners to disauthorize the union and its counsel of record, was by their own pleading overruled by the majority of the union membership. The other acts of unfair labor practice sought to be filed by Diomela and his companions were there ruled out as splitting a cause of action and harassing the employer with subsequent charges, based upon acts committed during the same period of time and which should have been included in the charges first preferred. What should be borne in mind is that the interests of the individual worker can be better protected on the whole by a strong union aware of its moral and legal obligations to represent the rank and file faithfully and secure for them the best wages and working terms and conditions in the process of collective bargaining. As has been aptly pointed out, the will of the majority must prevail over that of the minority in the process, for "under the philosophy of collective responsibility, an employer who bargains in good faith should be entitled to rely upon the promises and agreements of the union representatives with whom he must deal under the compulsion of law and contract. The collective bargaining process should be carried on between parties who can mutually respect and rely upon the authority of each other."[23] Where, however, collective bargaining process is not involved, and what is at stake are back wages already earned by the individual workers by way of overtime, premium and differential pay, and final judgment has been rendered in their favor, as in the present case, the real parties in interest with direct material interest, as against the union which has only served as a vehicle for collective action to enforce their just claims, are the individual workers themselves.[24] Authority of the union to waive or quitclaim all or part of the judgment award in favor of the individual workers cannot be lightly presumed but must be expressly granted, and the employer, as judgment debtor, must deal in all good faith with the union as the agent of the individual workers. The Court in turn should certainly verify and assure itself of the fact and extent of the authority of the union leadership to execute any compromise or settlement of the judgment on behalf of the individual workers who are the real judgment creditors.

We therefore sustain the minority opinion of then Presiding Judge Bautista of respondent Court that the settlement was precipitately approved without verification of the union board's authority to execute the compromise settlement, and find that there was no such authority. The said settlement is therefore set aside and the cases below are restored to the status quo, as of October 30, 1963, with the payments already made to the union members to be considered as partial payments on account, subject to final liquidation and adjustment. It is directed that an order for the enforcement of the P200,000.00-deposit order dated March 30, 1963 issued in the cases below, and upheld in Cases G.R. Nos. L-21758-59 of this Court dismissing the respondent's petition for review, be forthwith issued, and that hearings on the Chief Examiner's Report of December 14, 1962 be resumed immediately and without interruption so that the amounts due under the judgment to the individual union members may be finally determined without further delay. It is unfortunate that pending these proceedings, no application for preliminary injunction restraining respondent firm from disposing of its assets was made, since as stated above, (supra, p. 5) respondent had stopped operations in 1962 preparatory to liquidation, by virtue of the provisions of Republic Act No. 3018 nationalizing the rice and corn industry. The respondent firm's stockholders are, however, charged with notice of the firm's liability by virtue of the pendency of these appeals, and should any liquidating dividends have been distributed and paid to them in the meantime, they shall stand liable for the satisfaction of the union workers' judgment against respondent to the extent of such dividends respectively paid to and received by them. Similarly, any outstanding unpaid subscriptions or balances of subscriptions to the firm's capital stock, estimated at P20,000.00,[25] shall be subject to garnishment and execution in satisfaction of the judgment. As to the contingent 30% attorneys' fees of petitioners-lawyers, the Court deems it proper at this stage, to direct in the exercise of its authority to control the amount of such fees, that petitioners-lawyers may collect their stipulated contingent 30% attorneys' fees to the extent that additional amounts may be realized on the union workers' judgment up to the sum of P150,000.00, including the initial payment of P110,000.00, (on which they have already collected their corresponding fee), such that any further

amounts collected beyond said sum of P150,000.00 shall no longer be subject to said contingent fee.

**WHEREFORE**, the respondent Court's Orders of November 8, 1963 and March 9, 1964 are hereby declared null and void and set aside. The respondent court is directed to proceed immediately with the execution of the judgment rendered by it against respondent firm in Cases Nos. 709-V and V-1 as affirmed by this Court's decision of August 31, 1962, 26 in accordance with the directives set forth in the next preceding paragraph, which is incorporated by reference as an integral portion of the dispositive part of this decision. With costs against private respondent in both cases herein decided.

**Concepcion, C.J., Reyes, J.B.L., Zaldivar, Sanchez, Castro and Fernando, JJ., concur.**
**Dizon, Makalintal and Barredo, JJ., took no part.**

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[1] Atty. Teodulo M. Cruz, during his lifetime, was the counsel who successfully prosecuted the cases at bar on behalf of the union, Cases Nos. 709-V and V(1) in the Court of Industrial Relations, affirmed in G.R. No. L-18040 of this Court promulgated on August 31, 1962. Upon his death on May 13, 1960, he was succeeded as counsel by petitioners Mary Concepcion and Atty. Edgardo Cruz, his son. The other petitioners join the petition of his heirs.

[2] Petition, p. 9.

[3] Santiago Rice Mill, et al. vs. Santiago Labor Union, L-18040, August 31, 1962 5 SCRA 1118.

[4] See fn. 3.

[5] The total number of workers-claimants appears to be 104: of this number, 60 of them have awards, in addition to overtime and premium pay, for minimum wage differentials, per item (c) and 35 of them have an additional substantial award for back wages due to illegal lay-off, Per item (a).

[6] Petitioners Bulos, et al.'s Brief, p. 3; Petition, par. 3, p. 3 note in parentheses supplied.

[7] Respondents' Brief, in L-23361-62, p. 3.

[8] Santiago Labor Union etc. vs. Hon. Emiliano Tabigne, et al., docketed as G.R. Nos. L-21028-29 on March 4, 1963. The writ of mandamus was denied by this Court in its Decision of May 27, 1966 on the ground that respondent judge had properly issued his order of September 25, 1962 directing the court examiner to determine the amounts due for overtime pay, etc. and his subsequent order dated March 30, 1963 to deposit P200,000.00 in cash and surety bond to guarantee payment of the judgment.

[9] Respondent's Brief in L-23361-62, pp. 18-22.
[10] Exh G, Italics supplied.
[11] Exh. I, petition, pp. 57-60.
[12] Italics supplied.
[13] Cf. Macabinkil vs. Yatco, 21 SCRA 150 (1967).
[14] See Recto vs. Harden, 100 Phil. 427; Aro vs. Nañawa, 27 SCRA 1090.
[15] Rule 138, Section 37 provides that upon notice of such lien, an attorney "shall have the same right and power over such judgments and executions as his client would have to enforce his lien and secure the payment of his just fees and disbursements.
[16] Respondents' brief in L-23361-62, p. 27.
[17] Santiago Rice Mill vs. Santiago Labor Union, 5 SCRA 1118.
[18] 28 SCRA 314 (May 22, 1969).
[19] Art. XIV, Sec. 6, Philippine Constitution.
[20] International Union of Electrical R & M. Workers vs. NLRB, 307 F. 2d 679.
[21] 105 Phil. 348 (Mar. 24, 1959).
[22] SCRA 832 (Aug. 31, 1963).
[23] Union News Co. vs. Hildreth, 295 F 2d. 658.
[24] Cf. National Brewery & Allied Industries Labor Union vs. San Miguel Brewery, Inc., 9 SCRA 847 (Dec. 17, 1963).
[25] Petitioners' brief in L-23361-62, p. 51.
[26] Santiago Rice Mill, et al. vs. Santiago Labor Union, L-18040, 5 SCRA 1118.