

CHANROBLES PUBLISHING COMPANY

**SUPREME COURT
THIRD DIVISION**

**VICTORIAS MILLING CO INC.,
*Petitioner,***

-versus-

**G.R. No. 102567-68
June 27, 1994**

**NATIONAL LABOR RELATIONS
COMMISSION (Fourth Division, Cebu
City), REMY AGUIRRE, EDGARDO
BASTAN, ROMEO BATOLINA, DANILO
DURIAS, EFREN GOZON, RAUL
GUADALUPE, ERWIN GULMATICO,
GENEROSO JAROBEL, JAIME
LIMACO, PAULINO LUCENDO,
BENJAMIN MAGDATO, REMEGIO
MESA, TEDDY MONSERATE, JOSE
PANES, DANILO PEROJA, REYNALDO
PUBLICO, JERRY RAMA, ROGER
RENDON, RONILO SALUDO,
RANULFO TABLIGAN, ROMELO
TINGSON, JUANITO ABONALES,
HERNANI ALISOSO, RAMON
BALLADARES, EMMANUEL
DEOCAMPO, NESTOR DIGNOS,
RHESO DIGNOS, NELSON ESCUTIDO,
EDISON ERASMO, ALEJANDRO
FERNANDEZ, BONIFACIO HUSAIN,**

**JR., NELSON KO, RODANTE
LEDESMA, DANILO LANGRIO,
ALFREDO LAURON, ROMEO LAURON,
REYNALDO LAURON, JOHN PETER
NINOY, GERVACIO PALOMILLO,
RICARDO PELLER, JOSE RAZONABLE,
MARIO TOLENTINO, EDGARDO
VILLEGAS, and FRANCIS VARGAS,
*Respondents.***

X-----X

RESOLUTION

VITUG, J.:

This case is Petition for Certiorari under Rule 65 of the Revised Rules of Court.

Culled from the records and the decision of respondent National Labor Relations Commission (“NLRC”), it would appear that, on 08 January 1981, Diosdado Dacayo and forty-five (45) other complainants filed, against Victorias Milling Corporation and/or Pablo Espera, with the Bacolod District Office of the Ministry of Labor and Employment (now Department of Labor and Employment) various claims for —

- (a) their conversion to regular or permanent employees;
- (b) the declaration of Pablo Espera as a “labor only contractor;”
- (c) the payment of wage differentials, in relation to Wage Order No. 5, Series of 1980, for a period of three (3) years;
- (d) the payment of 13th month pay differentials for the years 1978, 1979 and 1980;

- (e) the payment of social amelioration bonus for the years 1978, 1979 and 1980;
- (f) the payment of holiday pay for the years 1978, 1979 and 1980;
- (g) the payment equivalent to five (5) days of salary for every year of service as service incentive leave pay for the last three years preceding the filing of the complaint;
- (h) the payment of the money value of fringe benefits granted to permanent employees under the collective bargaining agreement;
- (i) the payment of attorney's fees computed at ten percent (10%) of the total award and reimbursement of P100.00 during every hearing paid by the complainants to their counsel for appearance fees;
- (j) the payment to each complainant of P10,000.00 by way of moral damages plus P5,000.00 by way of exemplary damages; and
- (k) the imposition on the employer of fine or penalty prescribed in Article 289 and Article 290 of the Labor Code.

On 17 June 1981, Atty. Cesar D. Sideño of the Chief Labor Regulation Section recommended the payment, within ten (10) days, of only the following items:

- (1) holiday pay for three (3) years;
- (2) service incentive leave pay equivalent to fifteen (15) days;
- (3) 13th month pay for three (3) years; and
- (4) the deficiency in the payment of emergency living allowance.

On 18 June 1981, Assistant Regional Director Dante G. Ardivilla issued an order adopting in toto the above recommendation.^[1] Complainants filed a motion for reconsideration. On 09 July 1981, the motion (treated as an appeal) was indorsed to the Labor Appeal Review Staff Office of the Department of Labor and Employment. On 07 March 1985, Deputy Minister Vicente Leogardo, Jr., set aside the appealed order and entered a new one remanding the case to the Arbitration Branch of the National Labor Relations Commission, Bacolod City, for compulsory arbitration since the jurisdictional issue of employer-employee relationship was still then an unsettled matter and because the case involves evidentiary matters which could be best threshed out in a formal hearing.^[2] The case was docketed RAB VI-0149-85.

Meanwhile, on 01 July 1985, the corporation terminated the services of Juanito Abonales and twenty-five (25) other workers, some of whom were complainants in RAB VI-0149-85. This incident gave rise to the filing of another complaint, docketed RAB VI-0262-85, against the corporation and/or Pablo Espera for illegal dismissal. The complainants prayed for reinstatement, with backwages, and for payment of fringe benefits and of various other money claims. The two cases were consolidated.

On 17 November 1989, a decision was rendered by the Labor Arbiter, thus:

“WHEREFORE, premises considered, judgment is hereby rendered:

“A. Declaring complainants as employees of respondent Victorias Milling Company;

“B. Directing respondents to:

- “1. pay jointly and severally complainants Edgardo Bastan, Remy Aguirre, Romeo Batolina, Danilo Durias, Efren Gozon, Raul Guadalupe, Erwin Gulmatico, Generoso Jarobil, Paulino Lucendo, Jaime Limaco, Remegio Mesa, Benjamin Magdato, Nestor Mendez, Teddy Monserate, Jose Panes, Danilo

Peroja, Jerry Rama, Roger Rendon, Ranulfo Tabligan, Ronilo Saludo, and Reynaldo Publico the amount of P4,153.44 each, representing their cost of living allowance, differentials, service incentive leave pay and 13th month pay; complainants Juanito Abonales, Nelson Escotido, Edison Erasmo, Alejandro Fernandez, Bonifacio Husain Jr., Nelson Ko, Rodante Ledesma, Danilo Langrio, Gregorio Langrio, Romeo Lauron, Alfredo Lauron, Reynaldo Lauron, John Peter Ninoy, Gervacio Palomillo, Jose Razonable, Mario Tolentino, Edgardo Villegas and Francis Vargas the amount of P16,479.61 each, representing their wage differentials, ECOLA differentials, 13th month pay and service incentive leave pay or a total of P383,855.22;

- “2. pay P38,385.52 as attorney’s fees; and
- “3. reinstate complainants Juanito Abonales, Hernani Alisoso, Ramon Balladares Emmanuel Deocampo, Nestor Dignos, Rhesa Dignos, Nelson Escotido, Edison Erasmo, Alejandro Fernandez, Bonifacio Husain, Jr., Nelson Ko, Rodante Ledesma, Danilo Langrio, Gregorio Langrio, Romeo Lauron, Alfredo Lauron, Reynaldo Lauron, John Peter Ninoy, Gervacio Palomillo, Ricardo Peller, Jose Razonable, Mario Tolentino, Edgardo Villegas and Francis Vargas to their former positions. Respondents are directed to issue a certification that said complainants had been reinstated within 5 days from receipt of this decision.

“The complaints of Richmundo Biantan, Rolando Martin, Nelson Gonzales, Diosdado Dacayo, Rolando Ong, Loreto Jarobil, Perlito Jarobil, Heriberto Garcia, Rolando Belarmino, Oliveros Bianid and Leonardo Tidoso are hereby ordered dismissed with prejudice.

“All other claims are hereby ordered dismissed for lack of merit.

“SO ORDERED.”^[3]

Both parties appealed the decision of the Labor Arbiter to the NLRC.

Pending appeal, the complainants filed a motion for reinstatement, which the Labor Arbiter granted in his order of 07 December 1989. The corporation, however, refused to reinstate them, prompting the complainants to file a motion to hold the responsible officer of the corporation for contempt. On 21 January 1991, the NLRC rendered the assailed decision thusly:

“WHEREFORE, the decision of the Labor Arbiter is hereby AFFIRMED with the following modification.

“Respondents are ordered:

“1. to pay jointly and severally:

“(a) Romeo Tingson the amount of P4,153.44 for cost of living allowance differentials, service incentive leave pay and 13th month pay with attorney’s fees equivalent to ten per cent (10%).

“(b) Hernani Alisoso, Ramon Balladores, Emmanuel Deocampo, Nestor Dignos, Rheso Dignos and Ricardo Peller the amount of P16,479.61 each, representing their wage differentials, ECOLA differential, 13th month pay and service incentive leave pay with attorney’s fees equivalent to ten (10) percent.

“2. To reinstate complainants in the Abonales et al. case immediately upon receipt of a copy of this decision and pay their full backwages computed from July 1, 1985 with a maximum period of three years plus the attorneys fees equivalent to ten (10) percent.

“The Labor Arbiter is hereby directed to continue hearing the motion to cite responsible officer of respondents for contempt and resolve it immediately.

“SO ORDERED.”^[4]

Hence, the instant petition.

In its resolution of 25 November 1991, this Court resolved to require respondents to file their comment on the petition. Private respondents complied on 27 January 1992. Respondent NLRC, through the Solicitor-General, filed its comment on 11 February 1992. A reply to the comment was filed on 14 July 1992. Private respondents filed their rejoinder on 24 July 1992. In a resolution, dated 10 August 1992, this Court resolved to give due course to the petition and to require the parties to submit their respective memoranda.

On 19 April 1994, petitioner and private respondents filed a joint motion to dismiss the petition based on compromise settlement. The agreement is here reproduced in full:

“COMPROMISE AGREEMENT

“COME NOW, the parties assisted by their respective counsels, and to this Honorable Commission, very respectfully state:

- “1. That the Decision in the above-captioned cases of the Labor Arbiter, Hon. Merlin D. Deloria dated October 17, 1989 as modified by the Honorable Commission per its decision dated Jan. 20, 1991 is now pending review by certiorari before the Third Division of the Honorable Supreme Court, docketed as G.R. Nos. 102567-68 entitled ‘Victorias Milling Company, Inc. vs. National Labor Relations Commission, et al.;
- “2. That in the interest of harmonious employer-employee relationship and industrial peace, the parties have mutually and voluntarily agreed as they do hereby mutually and voluntarily agree to once and for all terminate these consolidated cases;

- “3. That with respect to the Abonales, et al., vs. Victorias Milling Co., Inc., et al., RAB VI Case No. 0262-85, the parties hereto mutually agree to forego the computation of all the adjudged amounts including all backwages and other benefits of the individual complainants; instead, respondent company shall pay the individual complainant a lump-sum of FORTY FIVE THOUSAND PESOS (P45,000.00) each which shall be considered as full and complete settlement of all money claims of the complainants in the case;
- “4. That as part of the consideration of this compromise agreement, respondent company shall effective April 1, 1994, accord regular employment to and allow the following complainants, namely, Juanito Abonales, Hernai Alisoso, Ramon Balladares, Emmanuel Deocampo, Rhesa Dignos, Edison Erasmo, Nelson Escutido, Alejandro Fernandez, Bonifacio Husain, Jr., Nelson Ko, Rodante Ledesma, Danilo Langrio, Gregorio Langrio, Alfredo Lauron, Reynaldo Lauron, Romeo Lauron, John Peter Ninoy, Gervacio Palomillo, Ricardo Peller, Jose Reasonable, Mario Tolentino, Francis Vargas and Edgardo Villegas to enjoy all the benefits provided for under the existing collective bargaining agreement to a regular employee;
- “5. That as to the Dacayo, et al., vs. Victorias Milling Company, Inc., et al., case, Victorias Milling Company, Inc., binds itself to respect and comply with the monetary award of FOUR THOUSAND ONE HUNDRED FIFTY THREE & 44/100 ONLY (P4,153.44) each to complainants Remy Aguirre, Edgardo Bastan, Romeo Batolina, Danilo Durias, Efren Gozon, Raul Guadalupe, Erwin Gulmatico, Generoso Jarobil, Paulino Lucendo, Jaime Limaco, Remegio Mesa, Benjamin Magdato, Nestor Mendez, Teddy Monserate, Jose Panes, Danilo Peroja, Reynaldo Publico, Jerry Rama, Roger Rendon, Ronilo Saludo, Ranulfo Tabligan, and Romeo Tingson plus

10% attorney's fees of PESOS: NINE THOUSAND ONE HUNDRED THIRTY SEVEN & 56/100 ONLY (P9,137.56) which monetary awards in the total amount of PESOS; ONE HUNDRED THOUSAND FIVE HUNDRED THIRTEEN & 24/100 ONLY (P100,513.24) shall be paid upon execution hereof;

- "6. That all the complainants in both consolidated cases in consideration of this compromise agreement hereby voluntarily and intelligently waive, quitclaim and release respondent Victorias Milling Company, Inc. from whatever amount/s and/or benefits that may be due and owing and hereby forego whatever amount/s, benefits or award that may be rendered in their favor by the Honorable Supreme Court in G.R. Cases Nos. 102567-68, it being understood that the foregoing considerations are the full, complete and final settlement of all their claims, demands or awards in both consolidated cases; in the same manner, respondent company shall forego whatever decision the Honorable Supreme Court may decide in its favor;
- "7. That the respondent company shall shoulder the attorney's fees in the Abonales, et al., case; and
- "8. That the foregoing terms and conditions of this compromise agreement have been translated by their counsel in the local dialect and understood and voluntarily accepted by the complainants.

Bacolod City, Philippines this 30th day of March, 1994.

(Sgd.)
JUANITO ABONALES

(Sgd.)
HERNANI ALISOSO

(Sgd.)
RAMON BALLADARES

(Sgd.)
EMMANUEL DEOCAMPO

(Sgd.)
NENA T. DIGNOS
— in behalf of her late husband Nestor Dignos

(Sgd.)
RHESA DIGNOS

(Sgd.)
EDISON ERASMO

(Sgd.)
NELSON ESCUTIDO

(Sgd.)
ALEJANDRO FERNANDEZ

(Sgd.)
BONIFACIO HUSAIN, JR.

(Sgd.)
NELSON KO

(Sgd.)
RODANTE LEDESMA

(Sgd.)
DANILO LANGRIO

(Sgd.)
GREGORIO LANGRIO

(Sgd.)
ALFREDO LAURON

(Sgd.)
REYNALDO LAURON

(Sgd.)
ROMEO LAURON

(Sgd.)
JOHN PETER NINOY

(Sgd.)
GERVACIO PALOMILLO

(Sgd.)
RICARDO PELLER

(Sgd.)
JOSE RAZONABLE

(Sgd.)
MARIO TOLENTINO

(Sgd.)
FRANCIS VARGAS

(Sgd.)
EDGARDO VILLEGAS

(Sgd.)
REYNALDO J. GULMATICO
As attorney-in-fact of Remy Aguirre,
Edgardo Bastan, Romeo Batolina,
Danilo Durias, Efren Gozon, Raul
Guadalupe, Erwin Gulmatico Generoso
Jarobil, Paulino Lucendo, Jaime
Limaco, Remegio Mesa, Benjamin

Magdato, Nestor Mendez, Teddy
Monserate, Jose Panes, Danilo Peroja,
Reynaldo Publico, Jerry Rama, Roger
Rendon, Ronilo Saludo, Ranulfo
Tabligan and Romeo Tingson

Assisted by:

(Sgd.)
ATTY. RAUL R. MIRANDA, SR.
Counsel for the Complainants

VICTORIAS MILLING COMPANY, INC.

BY:

(Sgd.)
CARLOS H. TUPAS, JR.
Executive Vice-President

Assisted by:

DECENA, TABAT, JARDELEZA
& TANOSO LAW OFFICES

BY:

(Sgd.)
PATRICK M. DECENA

(Sgd.)
HERNANE T. JARDELEZA”^[5]

We do not find the compromise agreement to be opposed to law, morals, good custom, public order and public policy. In line with the State policy of encouraging an amicable settlement of disputes between parties and of fostering a shared responsibility between labor and management, it pleases the Court to sustain the above agreement.

WHEREFORE, the compromise agreement is **APPROVED** and the parties are **ENJOINED** to faithfully comply with the covenants, terms and conditions thereof. This resolution is immediately executory. No costs.

SO ORDERED.

Feliciano, Bidin, Romero, Melo and Vitug, *JJ.*, concur.

[1] Rollo, p. 94.

[2] Rollo, p. 134.

[3] Rollo, pp. 265-267.

[4] Rollo, pp. 52-53.

[5] Rollo, pp. 583-587.

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