

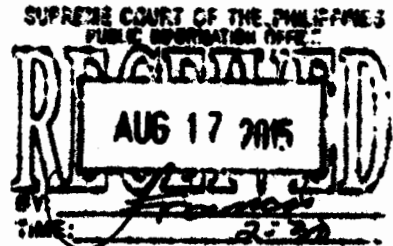
7.  
PID



Republic of the Philippines  
Supreme Court  
Manila

FIRST DIVISION

NOTICE



Sirs/Mesdames:

*Please take notice that the Court, First Division, issued a Resolution dated July 8, 2015 which reads as follows:*

**“G.R. No. 181395 (*Hiba International, Inc. v. Rodrigo Jurban, Flaviano Signo, Edgardo Esguerra, Arsenio Mojica, Jr., Albert Sumaoang, Gil Gregorio, Gerry Tanaleon, Romeo de Leon, Alex Mungcal, Jessie Salac, Henrico Esguerra, and Ricky delos Santos*). – This is a Petition for Review on *Certiorari*<sup>1</sup> with prayer for the issuance of a temporary restraining order and/or writ of preliminary injunction assailing the Decision<sup>2</sup> dated 29 November 2007 and Resolution<sup>3</sup> dated 22 January 2008 rendered by the Court of Appeals (CA), Fourteenth Division, Manila, in CA-G.R. SP No. 99655. The CA denied petitioner’s appeal to set aside the Decision<sup>4</sup> dated 14 June 2006 issued by the National Labor Relations Commission (NLRC) Fifth Division in NLRC NCR-CA No. 031871-02 [NLRC OFW Case No. 01-07-1474-00].**

Complainants Rodrigo M. Jurban, Flaviano U. Signo, Eduardo A. Esguerra, Arsenio Mojica, Jr., Albert I. Sumaoang, Gil P. Gregorio, Gerry Tanaleon, Romeo M. de Leon, Alex G. Mungcal, Jessie D. Salac, Henrico D. Esguerra, and Ricky D. delos Santos filed a Complaint<sup>5</sup> against Hiba International Placement Services and A. Bin Jarallah Est.<sup>6</sup> Complainants claimed they were overseas contract workers who had been deployed to Jeddha, Kingdom of Saudi Arabia, by petitioner on behalf of its accredited foreign principal – Al Yanya Commercial Group Overseas Worker Branch/Yousof Solaiman Abdul – on different dates with the following positions:

- over - nine (9) pages .....

<sup>1</sup> *Rollo*, pp. 13-57.

<sup>2</sup> *Id.* at 62-73; penned by CA Associate Justice Mariano C. del Castillo (now a member of this Court) and concurred in by Associate Justices Arcangelita Romilla-Lontok and Romeo F. Barza.

<sup>3</sup> *Id.* at 75.

<sup>4</sup> *Id.* at 217-228; penned by Commissioner Perlita B. Velasco and concurred in by Presiding Commissioner Benedicto Ernesto R. Bitonio, Jr. and Commissioner Romeo L. Go.

<sup>5</sup> *Id.* at 16.

<sup>6</sup> *Id.* at 135.

July 8, 2015

NAME	POSITION
a) RODRIGO JURBAN	DRIVER
b) GIL GREGORIO	DRIVER
c) HENRICO ESGUERRA	CAR MECHANIC
d) ALEX MUNGICAL	DRIVER
e) FLAVIANO SIGNO	TRUCK DRIVER
f) JESSIE S[A]LAC <sup>7</sup>	WELDER
g) RICKY D. DELOS SANTOS	CAR MECHANIC
h) EDUARDO A. ESGUERRA	CAR MECHANIC
i) ARSENIO MOJICA, JR.	LABORER
j) ALBERT I. SUMAOANG	DRIVER
k) ROMEO M. DE LEON	DRIVER
l) GERRY T[AN]ALEON	DRIVER <sup>8</sup>

Complainants further alleged in their Position Paper<sup>9</sup> that when they were still in the Philippines, they were not furnished the POEA-approved contracts despite their requests. Also, when they were already in Jeddah, they received contracts that contained alterations and omissions of the stipulations contained in the POEA-approved contract.<sup>10</sup> They also claimed that the reduced salaries were not given to them on time during the first two months, prompting them to file a Complaint before the Philippine Overseas Labor Office/Consulate in Jeddah.<sup>11</sup>

Complainants further averred that they and their employer reached an amicable settlement on the conditions, *inter alia*, that: “a) the complainants would [sic] be FURNISHED COPIES of their employment contracts; b) their delayed salaries would be IMMEDIATELY RELEASED; and c) the salaries corresponding to the succeeding months would be furnished to the complainants PROMPTLY”; but, petitioner “violated the terms of the agreement by not furnishing the complainants copies of the POEA-approved employment contracts and delaying the release of their subsequent salaries.”<sup>12</sup>

- over -

294

<sup>7</sup> Id. at 80-81.

<sup>8</sup> Id. at 189-191.

<sup>9</sup> Id. at 135-157.

<sup>10</sup> Id. at 136.

<sup>11</sup> Id. at 139.

<sup>12</sup> Id. at 139.

Alleging that the actual contracts<sup>13</sup> they received were not the same as those approved by the POEA,<sup>14</sup> complainants noted the differences in the provisions for free food or compensatory allowance of US\$100, stipulations on overtime pay of 150% for work over regular working hours and 200% for work on designated rest days, provision on leave with full pay equivalent to 15 days of vacation leave and 15 days of sick leave per year of service, stipulation on free emergency medical and dental services including medicine.<sup>15</sup> The computation and tabulation of the amounts due them are presented in a table<sup>16</sup> reproduced below:

Name	POEA-Approved Contract Monthly Salary	Peso Equivalent (Multiplied by 3 corresponding to 3 months of work)	Total Salaries plus allowances received for 3 months	Peso Equivalent	Difference between Salary in the POEA-approved contract and the actual salary received
NOTES/REMARKS	Including food allowance of US\$100	Based on US Dollar-Peso Exchange Rate of ₱51	After illegal deductions were made from the already illegally diminished salaries and allowances	Based on Riyal-Peso Exchange rate of ₱13.6	
Flaviano Signo	US\$480	₱73,440.00	1,592 riyals	₱21,651.20	₱51,788.80
Edgardo Esguerra	US\$480	₱73,440.00	1,703 riyals	₱23,160.80	₱50,279.20
Arsenio Mojica, Jr.	US\$480	₱73,440.00	4,618 riyals	₱62,804.80	₱10,635.20
Albert Sumaoang	US\$480	₱73,440.00	2,248 riyals	₱30,572.80	₱42,867.20
Gil Gregorio	US\$480	₱73,440.00	883 riyals	₱12,008.80	₱61,431.20
Rodrigo Jurban	US\$480	₱73,440.00	1,570 riyals	₱21,352.00	₱52,088.00
Gerry Tanaleon	US\$480	₱73,440.00	1,923 riyals	₱26,152.80	₱47,287.20
Romeo de Leon	US\$480	₱73,440.00	1,796 riyals	₱24,425.60	₱49,014.40
Alex Mungcal	US\$480	₱73,440.00	2,528 riyals	₱34,380.80	₱39,059.20
Jesse Salac	US\$480	₱73,440.00	2,388 riyals	₱32,476.80	₱40,963.20
Henrico Esguerra	US\$480	₱73,440.00	2,222 riyals	₱30,219.20	₱43,220.80
Ricky delos Santos	US\$480	₱73,440.00	2,222 riyals	₱30,219.20	₱43,220.80

Complainants also stated that petitioner made deductions from their salaries; displayed hostility towards them; and treated them like thieves by unjustly attributing to them losses of tools, implements and other materials.<sup>17</sup>

- over -

<sup>13</sup> Id. at 77-102.

<sup>14</sup> Id. at 140.

<sup>15</sup> Id. at 140-142.

<sup>16</sup> Id. at 149.

<sup>17</sup> Id. at 143.

Ultimately, complainants prayed that judgment be rendered in their favor by ordering petitioner to pay them the following: (1) the amounts that were denied complainants through underpayment and illegal deductions from their salaries; (2) salaries corresponding to six months, i.e. three months for every year of the unexpired portion of their employment contracts in accordance with Sec. 10 of the Migrant Workers Act; (3) moral and exemplary damages of ₱75,000 each; (4) attorney's fees equivalent to 10% of their total claims; and (5) other reliefs just and equitable under the circumstances.<sup>18</sup>

Meanwhile, petitioner alleged in its Position Paper<sup>19</sup> that complainants were not illegally dismissed; rather, they were deported or repatriated by the Saudi Government and the Philippine Consulate in Jeddah, Saudi Arabia, after they were caught roaming around Jeddah.<sup>20</sup> Petitioner further stated that the claim of illegal dismissal lacked legal and factual basis, because after staging a strike due to the delayed payment of their salaries, complainants forged an amicable settlement with their employer. The latter supposedly ordered them to go back to work; but, after receiving their salaries, they refused to go to work and ran away to Jeddah instead of complying with the agreement to continue to work normally.<sup>21</sup>

The acts of running away and refusing to go back to work, according to petitioner, constituted gross neglect of duties which was a just and lawful ground to terminate employment.<sup>22</sup> This was supposedly also a reason why the claim for payment of salary for the unexpired portion of the contract must be denied; the payment thereof was grounded on termination without just, lawful and authorized cause as defined by law or contract.<sup>23</sup>

Petitioner also argued that the claim for a refund of the placement fee and the nonpayment of salary, as well as moral and exemplary damages, must be similarly denied. It said that the claims were not proven by positive and sufficient evidence; specifically, the claim for a refund of the placement fee allegedly fell under the jurisdiction of the POEA and not the NLRC.<sup>24</sup> The claim for supposedly unpaid salaries was also untenable,

- over -

---

<sup>18</sup> Id. at 155-156.

<sup>19</sup> Id. at 158-168.

<sup>20</sup> Id. at 161.

<sup>21</sup> Id. at 163.

<sup>22</sup> Id. at 163-164.

<sup>23</sup> Id. at 165.

<sup>24</sup> Id. at 166.

since complainants had already received these before their repatriation.<sup>25</sup> Finally, petitioner argued that the claim for actual and moral damages should be denied in the absence of bad faith on its part.<sup>26</sup> It said that there being no justification for the award for actual and moral damages, the award for exemplary damages and attorney's fees must also fail.<sup>27</sup>

Complainants filed their Reply<sup>28</sup> arguing that they were constrained not to remain in the employ of petitioner, because they had suffered grave injustice in having been forced to resign and, as such, can be considered "illegally dismissed."<sup>29</sup> They further claimed that they were made to perform tasks beyond the supposed scopes of their work corresponding to their respective positions.<sup>30</sup> They further emphasized that they were unjustly dismissed by petitioner, not only because it made their employment unreasonable, unlikely and prejudicial to their interests, but also because it substituted their contracts. They claimed that the substitution not only resulted in demotion of rank and pay, but also in the elimination of benefits and privileges stipulated in the POEA-approved contracts.<sup>31</sup>

They stated, too, that they could not be charged with negligence or abandonment, because after the amicable settlement, petitioner still failed to pay them their salaries immediately as agreed upon. It also incurred delay in the payment of their subsequent salaries, the amounts of which were way below those stipulated in the POEA-approved contracts.<sup>32</sup> For them, the acts of petitioner were tantamount to a dismissal, which warranted their entitlement to monetary claims under the Labor Code.<sup>33</sup>

As against the payroll in Arabic presented by petitioner to prove that complainants had already received their salaries, the complainants later presented their pay slips to prove underpayment and illegal deduction.<sup>34</sup>

- over -

294

---

<sup>25</sup> Id. at 166-167.

<sup>26</sup> Id. at 167.

<sup>27</sup> Id.

<sup>28</sup> Id. at 176-188.

<sup>29</sup> Id. at 178.

<sup>30</sup> Id.

<sup>31</sup> Id. at 182.

<sup>32</sup> Id. at 183.

<sup>33</sup> Id. at 185.

<sup>34</sup> Id. at 186.

Petitioner filed its Reply,<sup>35</sup> arguing that the parties had already forged an amicable settlement in Jeddah where both parties had agreed that complainants would return to work.<sup>36</sup> However, petitioner added that after complainants received their two-month salary, they refused to go back to work and fled to Jeddah, where they were eventually caught by the Saudi Immigration Police. This fact was reported to petitioner by Labor Attache Carlos O. Sta. Ana in a letter dated 8 July 2001.<sup>37</sup>

Petitioner further claimed that the provision for food allowances was worded as one of two alternatives – “free food or compensatory allowances US\$100”; and because complainants had already availed themselves of the free food and suitable housing, they were no longer entitled to the compensatory allowances.<sup>38</sup>

Meanwhile, petitioner stated that the POEA-approved contracts presented by complainants were fabricated and could not be given binding effect in the absence of approval by the POEA.<sup>39</sup> It similarly assailed the pay slips presented by complainants as fabricated, for they did not have the signature of the employer –any of the officers of the establishment – or the official letterhead of the company.<sup>40</sup>

#### THE RULING OF THE LABOR ARBITER

On 14 March 2002, Labor Arbiter (LA) Jovencio Ll. Mayor, Jr. rendered a Decision<sup>41</sup> dismissing the case for lack of merit. He declared that complainants did not report for work after the disputes that caused the strike, and that they did run away to Jeddah where they were caught and eventually got deported.<sup>42</sup> Their acts, the LA ruled, manifested a clear intention to sever the employee-employer relationship; in that light, there was no reason to declare that they were terminated or dismissed.<sup>43</sup> He also denied their monetary claims for insufficiency of evidence.<sup>44</sup>

- over -

294

---

<sup>35</sup> Id. at 169-175.

<sup>36</sup> Id. at 170.

<sup>37</sup> Id. at 170-171.

<sup>38</sup> Id. at 173.

<sup>39</sup> Id. at 173-174.

<sup>40</sup> Id. at 174.

<sup>41</sup> Id. at 189-199.

<sup>42</sup> Id. at 197.

<sup>43</sup> Id. at 198-199.

<sup>44</sup> Id. at 199.

**THE RULING OF THE NLRC**

Upon appeal by complainants, the NLRC rendered its Decision<sup>45</sup> finding merit in the claim for underpayment.<sup>46</sup> It noted that while they persistently and consistently maintained that petitioner violated their contracts by paying a lesser amount during the first three months of their employment, petitioner did not bother to rebut or controvert their claim by presenting evidence of payment.<sup>47</sup> Petitioner merely resorted to arguing that an amicable settlement had been reached, but the NLRC noted that the settlement merely covered delayed payments and not the salary or other benefits to which complainants were entitled. The NLRC observed that complainants had not been aware of these salaries and other benefits at that time so they insisted on receiving a copy of the POEA-approved contracts.<sup>48</sup>

Nonetheless, the NLRC denied the claim of illegal dismissal with the concomitant prayer for three-month salary for each year of the unexpired portion of the contract. It ruled that this claim had no factual or legal basis.<sup>49</sup> It also declared that the claim of complainants that they were maltreated and that their working condition became unbearable was not supported by evidence. However, it held that they were entitled to attorney's fees, as they were forced to litigate to enforce their claims.<sup>50</sup>

Hence, the NLRC awarded complainants their salary differentials as well as attorney's fees equivalent to 10% of the total amount due.

**THE RULING OF THE CA**

The CA denied the Petition and ruled on the propriety of the award of salary differentials, food allowances, and attorney's fees to complainants. It opined that the fact that the parties had signed a Compromise Agreement did not result in the waiver of all their claims, specifically their claim of being underpaid.<sup>51</sup> Citing *Fuentes v. NLRC*,<sup>52</sup> it reiterated that the law strictly scrutinizes agreements in which workers agree to receive less compensation than that to which they are legally

- over -

294

---

<sup>45</sup> Id. at 217-228.

<sup>46</sup> Id. at 222.

<sup>47</sup> Id. at 223-224.

<sup>48</sup> Id. at 224.

<sup>49</sup> Id. at 225.

<sup>50</sup> Id. at 226.

<sup>51</sup> Id. at 68.

<sup>52</sup> G.R. No. 76835, 24 November 1988, 167 SCRA 767.

entitled. It said that these agreements do not always bar workers from demanding those benefits.<sup>53</sup> It scrutinized the Compromise Agreement and found it to be not as comprehensive as the petitioner understood it to be. The agreement merely pertained to the delayed salaries for the months of February and March 2001, which resulted in the existing dispute between the parties; it did not refer to the benefits ascertained after that time to which the complainants were legally entitled.<sup>54</sup>

The CA found no grave abuse of discretion on the part of the NLRC when the latter awarded salary differentials to complainants. After respondents had alleged nonpayment of the salary differentials, petitioner was not able to prove full payment. Hence, the NLRC cannot be faulted for relying on the evidence presented by complainants.

The same holding was made on the payment of food allowance. The CA ruled that the NLRC did not commit grave abuse of discretion in awarding the allowance, because it was pleaded in complainants' position paper and was an item due in their contracts, contrary to petitioner's allegation that it was not pleaded.<sup>55</sup>

Neither was grave abuse of discretion committed in following the conversion rate of ₱51 to US\$1 because that was the prevailing rate of exchange at the time the cause of action accrued.<sup>56</sup> Nor was there grave abuse of discretion in the award for attorney's fees, as the NLRC's reasoning was correct and had legal basis.<sup>57</sup>

The CA denied the Motion for Reconsideration filed by petitioner in a Resolution<sup>58</sup> dated 22 January 2008. Hence, this Petition.

### OUR RULING

Finding no reversible error in the CA ruling, we DENY the Petition.

Factual findings of the labor tribunals when affirmed by the CA are generally accorded not only respect, but even finality, and are binding on this Court.<sup>59</sup> This notwithstanding, a scrutiny of the records reveals that,

- over -

294

---

<sup>53</sup> Id.

<sup>54</sup> *Rollo*, p. 69.

<sup>55</sup> Id. at 70.

<sup>56</sup> Id. at 71.

<sup>57</sup> Id.

<sup>58</sup> Id. at 75.

<sup>59</sup> *Nahas v. Olarte*, G.R. No. 169247, 2 June 2014.



indeed, the NLRC thoroughly passed upon the issues and correctly ruled on them. It was correct in saying that while the allegation of illegal dismissal due to maltreatment and unbearable working condition was not sufficiently proven, the claim for underpayment was amply established. In accordance with this finding, we agree with the CA's subsequent affirmance of the assailed ruling.

**WHEREFORE**, premises considered, the assailed Decision dated 29 November 2007 and Resolution dated 22 January 2008 rendered by the CA in CA-G.R. SP No. 99655 are hereby **AFFIRMED**.


**SO ORDERED."**

Very truly yours,

**EDGAR O. ARICHETA**  
Division Clerk of Court

**294**

By:

  
**LIBRADA C. BUENA**  
Deputy Division Clerk of Court

SALINAS TAN LIBRANDA  
& ONEZA LAW OFFICE  
Counsel for Petitioner  
Suite 506, Don Santiago Bldg.  
1344 Taft Ave., Ermita  
1000 Manila

NATIONAL LABOR RELATIONS  
COMMISSION  
PPSTA Bldg., Banawe St.  
1100 Quezon City  
(NLRC NCR CA No. 031871-02;  
NLRC OFW Case No. 01-07-  
1474-00)

Court of Appeals (x)  
Manila  
(CA-G.R. SP No. 99655)

Atty. Lawrence Lemuel H. Fortun  
Counsel for Respondents  
2/F, Causon Bldg.  
J.C. Aquino Ave. 8600 Butuan City

Mr. Rodrigo A. Jurban, et al.  
Respondents  
E. Trinidad St., Brgy. San Nicolas  
Bay 4033 Laguna

Public Information Office (x)  
Library Services (x)  
Supreme Court  
(For uploading pursuant to A.M.  
No. 12-7-1-SC)

Judgment Division (x)  
Supreme Court

SR