Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

REYNALDO NOBLADO, JIMMY ARAGON, ARTURO MALAYO, MARCIANO VICTORIA, ELINO DALANON, JOSE ESTRIL, DOMINGO MALUPENG, ALFREDIE RAYTA, ROMULO RECOMES, ADRIAN VERCELES, RUEL MADRONA, RUBEN MIRAFUENTES,* ARNULFO MALAYO, JAIME REMIAS, JELMER BEROLLA, EDIL CASTILLO, FELICIDAD ROSIMA, MITCHEL VICTORIA, DANIEL MALUPENG, ZOSIMO RANAS, ROSIETA RAYTA, RAFAEL TUMIMBANG, FLORENCIO VICTORIA, ERNESTO VICTORIA, CERIA ORTIZ, RAUL ADRA, AND VICENTE CUACHIN, SUBSTITUTED BY HIS LEGAL HEIRS,*** NAMELY: LILIA LORENO CUACHIN, NILO L. CUACHIN, LEONARDO L. CUACHIN, JUDITH L. CUACHIN, VILMA CUACHIN LLANZANA, ELVIE CUACHIN MANTES, CRISTINA CUACHIN SARCIA, LILIBETH CUACHIN BELORIA, AIDA CUACHIN MIRANDILLA, JULIET CUACHIN AWA,**

Petitioners,

G.R. No. 189229

Present:

VELASCO, JR., *J.*, *Chairperson*,
PERALTA,
BERSAMIN,****
VILLARAMA, JR., and
REYES, *JJ.*

---

* Also referred to as Ruben Mirafuentas in other parts of the *rollo.*

** Also referred to as Vincent Cuachin in other parts of the *rollo.*

*** Per Resolution of this Court dated January 10, 2011, *rollo,* p. 354.

**** Designated Acting Member in lieu of Associate Justice Francis H. Jardeleza, per Special Order No. 2289 dated November 16, 2015.

- versus -

Promulgated:

PRINCESITA K. ALFONSO,
Respondent.

November 23, 2015

x----------x

DECISION

PERALTA, *J.*:

Before the Court is a petition for review on *certiorari* under Rule 45 of the Rules of Court assailing the Decision[1] and Resolution[2] of the Court of Appeals (*CA*), dated May 29, 2009 and August 18, 2009, respectively, in CA-G.R. SP No. 104305. The challenged Decision modified the Decision of the National Labor Relations Commission (*NLRC*) in NLRC CA No. 03-5804-03, while the questioned Resolution denied herein respondent's Motion for Reconsideration.

The pertinent factual and procedural antecedents of the case are as follows:

Herein respondent is an independent contractor engaged in landscaping and the operation and maintenance of a plant nursery under the business name "Cherry Alfonso Plant Nursery." Petitioners were employees of respondent, having been hired on various dates as gardeners, landscaper/designer, "leadman," "laborer," and driver.

In separate Complaints filed on different dates in January and February 2001, petitioners, together with eleven (11) other co-employees, charged respondent with illegal dismissal. The Complaints were filed with the arbitration branch of the NLRC, National Capital Region-North Sector in Quezon City. In their Position Paper, petitioners and the other complainants alleged that, during their employment, they were not paid their salaries, overtime pay, holiday pay, premium pay for holiday and rest day, 13th month pay and service incentive leave pay and that, subsequently, respondent abruptly terminated their employment on January 15, 2001 without valid cause and without due process. The Complaints were consolidated.

In her Position Paper, respondent contended that: petitioners and the other complainants were gardeners and utility workers whom she hired on a contractual basis; they were assigned to work in the premises of respondent's client, Sta. Lucia Realty Development, Inc. (*Sta. Lucia*); the life of their

---

[1] Penned by Associate Justice Josefina Guevara-Salonga, with Associate Justices Arcangelita M. Romilla-Lontok and Romeo F. Barza, concurring; *rollo*, pp. 39-55.

[2] *Id.* at 56-58.

contracts were dependent on the contract entered into by her and Sta. Lucia; petitioners and the other complainants committed deliberate and malicious stoppage of work-related services, serious misconduct and willful disobedience of a lawful order, gross neglect of their duties which resulted in great damage and prejudice to Sta. Lucia; as a result, Sta. Lucia canceled its contract with respondent and even threatened to file a civil action against her; since respondent's contract with Sta. Lucia has been terminated due to the fault of petitioners and the other complainants, the untimely termination of their employment cannot be construed as illegal.

On March 31, 2003, the Labor Arbiter (*LA*) rendered a Decision[3] finding respondent liable for illegal dismissal. The dispositive portion of the LA's Decision reads as follows:

> WHEREFORE, in view of all the foregoing, respondents are hereby ordered to reinstate all [petitioners] to their former positions without loss of seniority rights and other benefits and privileges with full backwages computed from the time of their illegal dismissal on 15 January 2001 up to their actual reinstatement which up to this promulgation already amounted to SIX MILLION NINETY-SEVEN THOUSAND THREE HUNDRED (₱6,097,300.00) PESOS. Furthermore, respondents are hereby ordered to pay the sum of ONE MILLION FOUR HUNDRED NINETY-SEVEN THOUSAND NINE HUNDRED TWENTY-FIVE (₱1,497,925.00) PESOS, as discussed above.[4]
>
> SO ORDERED.[5]

The LA found that respondent failed to prove her allegation that petitioners and the other complainants were guilty of abandoning their work. The LA also ruled that respondent failed to furnish petitioners and the other complainants a written notice stating the particular acts or omissions constituting the ground for their dismissal.

Aggrieved, respondent filed an appeal with the NLRC.

Pending her appeal, respondent filed two Manifestations in March 2005 and November 2005 indicating the withdrawal from the case of eleven (11) of the thirty-eight (38) original complainants. Respondent submitted the Affidavits of Desistance and/or Withdrawal, together with the Quitclaim and Waiver of the withdrawing complainants.[6]

---

3 *Id.* at 104-124.

4 The amount of ₱1,497,925.00 consists of ₱807,450.00, representing petitioners' service incentive leave and 13th month pays and ₱690,475.00, as attorney's fees, equivalent to 10% of the total monetary award.

5 *Rollo*, pp. 123-124.

6 See *rollo*, pp. 150-169.

On January 31, 2007, the NLRC rendered a Decision[7] affirming the LA's decision and dismissing the appeal for lack of merit. Nonetheless, the NLRC took judicial notice of the withdrawal of 11 of the 38 original complainants, finding that such desistance and withdrawal are in accordance with law. The NLRC disposed, thus:

> WHEREFORE, in view of the foregoing, the appeal of the Respondents-Appellants is hereby dismissed for lack of merit. Accordingly, the assailed decision of the Labor Arbiter dated March 31, 2003 is affirmed. With respect to other matters such as but not limited to the Attorney's Lien and Withdrawal of Counsel, which are incidental to the appeal, the same must be litigated at a proper forum.
>
> SO ORDERED.[8]

The NLRC held that: respondent is petitioners' actual employer; petitioners and the other complainants are respondent's regular employees, contrary to the latter's claim that petitioners and the other complainants were project employees; respondent failed to comply with the substantive and procedural requirements of a valid termination of employment.

Consequently, respondent filed a motion for reconsideration. However, the same was denied by the NLRC in its Resolution[9] dated March 28, 2008.

Undeterred, respondent appealed to the CA.

In its questioned Decision dated May 29, 2009, the CA partially granted respondent's appeal. The dispositive portion of the assailed CA Decision reads as follows:

> **WHEREFORE**, the foregoing considered, the petition is **PARTLY GRANTED**. The Court **SETS ASIDE** the award of backwages and in lieu thereof, [respondent] is hereby **ORDERED** to pay each [petitioner] the amount of Ten Thousand Pesos (₱10,000.00) as nominal damages for failure to comply fully with the notice requirement as part of due process.
>
> Meanwhile, the award of service incentive leave pay and 13th month pay in favor of [petitioners] is hereby **AFFIRMED**. Accordingly, let this case be remanded to the Labor Arbiter for the computation of the service incentive leave pay and 13th month pay.
>
> **SO ORDERED.**[10]

---

7 *Id.* at 170-178.
8 *Id.* at 178.
9 *Id.* at 189-191.
10 *Id.* at 54-55. (Emphasis in the original)

The CA held that petitioners were not illegally dismissed from their employment since they voluntarily abandoned their work as shown by the records. It further held that considering the deliberate stoppage of work, which resulted in the cancellation of respondent's contract with Sta. Lucia, only the amount of ₱10,000.00 as nominal damages should be awarded to petitioners for the violation of their right to due process. However, the CA upheld the validity of the Affidavits of Desistance as well as Quitclaims of the 11 withdrawing complainants.

Petitioners filed a Motion for Partial Reconsideration[11] against said decision which was denied by the CA in its assailed Resolution dated August 18, 2009.

Hence, the present petition.

Petitioners cite the following grounds to support their petition:

> I. WITH DUE RESPECT, THE HONORABLE COURT OF APPEALS, IN FINDING PETITIONERS GUILTY OF GROSS NEGLECT OF DUTIES, GRAVELY MISAPPRECIATED THE FACTS AND THE PIECES OF EVIDENCE ON RECORD.
>
> II. THAT AS A RESULT OF THE MISAPPRECIATION OF FACTS AND THE PIECES OF EVIDENCE ON RECORD, WITH DUE RESPECT, THE HONORABLE COURT OF APPEALS, IN FINDING PETITIONERS GUILTY OF GROSS NEGLECT OF DUTIES, MADE MANIFESTLY MISTAKEN INFERENCES.
>
> III. WITH DUE RESPECT, THE HONORABLE COURT OF APPEALS COMMITTED GRAVE ABUSE OF DISCRETION IN FINDING PETITIONERS GUILTY OF GROSS NEGLECT OF DUTIES.
>
> IV. THE FINDING OF THE COURT OF APPEALS THAT PETITIONERS WERE GUILTY OF GROSS NEGLECT OF DUTIES IS IN CONFLICT WITH THE FINDINGS OF THE NLRC AND THE LABOR ARBITER THAT THEY WERE ILLEGALLY DISMISSED.
>
> V. ON THE ASSUMPTION THAT PETITIONERS WERE DISMISSED FOR A JUST CAUSE BUT WITHOUT DUE PROCESS, IT IS RESPECTFULLY SUBMITTED THAT THERE WOULD BE A QUESTION OF LAW AS TO THE RETROACTIVITY OF THE AGABON RULING OR AS TO THE AMOUNT OF INDEMNITY IMPOSED.
>
> VI. WITH DUE RESPECT, THE HONORABLE COURT OF APPEALS GRAVELY ERRED WHEN IT UPHELD THE AFFIDAVITS OF DESISTANCE AND QUITCLAIMS OF THE CONCERNED PETITIONERS DESPITE PRIMA FACIE EVIDENCE OF FRAUD AND MISREPRESENTATION BY THE RESPONDENT IN THE NLRC.

---

[11] *Id.* at 246-257.

VII. WITH DUE RESPECT, THE HONORABLE COURT OF APPEALS, GRAVELY ERRED WHEN IT FAILED TO AWARD PETITIONERS' ATTORNEY'S FEES.[12]

At the outset, the Court notes that the issues raised by the petitioners are mainly factual. It is settled that this Court is not a trier of facts, and this applies with greater force in labor cases.[13] Corollary thereto, this Court has held in a number of cases that factual findings of administrative or quasi-judicial bodies, which are deemed to have acquired expertise in matters within their respective jurisdictions, are generally accorded not only respect but even finality, and bind the Court when supported by substantial evidence.[14] However, it is equally settled that the foregoing principles admit of certain exceptions, to wit: (1) the findings are grounded entirely on speculation, surmises or conjectures; (2) the inference made is manifestly mistaken, absurd or impossible; (3) there is grave abuse of discretion; (4) the judgment is based on a misapprehension of facts; (5) the findings of fact are conflicting; (6) in making its findings, the Court of Appeals went beyond the issues of the case, or its findings are contrary to the admissions of both appellant and appellee; (7) the findings are contrary to those of the trial court; (8) the findings are conclusions without citation of specific evidence on which they are based; (9) the facts set forth in the petition, as well as in petitioners main and reply briefs, are not disputed by respondent; (10) the findings of fact are premised on the supposed absence of evidence and contradicted by the evidence on record; and (11) the Court of Appeals manifestly overlooked certain relevant facts not disputed by the parties, which, if properly considered, would justify a different conclusion.[15] In the instant case, the Court gives due course to the instant petition considering that the findings of fact and conclusions of law of the LA and the NLRC differ from those of the CA.

Having disposed of preliminary matters, the Court will now proceed to resolve the issues raised in the instant petition.

Petitioners' arguments boil down to the basic question of whether or not they were illegally dismissed from their employment. An additional issue is the validity of the Affidavits of Desistance and Quitclaims of 11 of the 38 original complainants who subsequently withdrew their complaints.

As to the main issue, petitioners firmly contend that they were dismissed without just cause and due process, thus, the termination of their employment is illegal. They argue that the CA erred in basing the legality of their dismissal on the sample letters written by respondent and Sta. Lucia which were made known only to petitioners when said documents were

---

12 *Id.* at 12-13.
13 *New City Builders, Inc. v. NLRC,* 499 Phil. 207, 211 (2005).
14 *Merck Sharp and Dohme (Phils.), et al. v. Robles, et al.,* 620 Phil. 505, 512 (2009).
15 *Id.*

attached to respondent's Position Paper at the arbitral stage of the proceedings. Petitioners also point out that respondent, as employer, failed to discharge the burden of proving that petitioners' dismissal was legally justified.

The Court finds the petition partly meritorious.

For a dismissal to be valid, the rule is that the employer must comply with both the substantive and the procedural due process requirements.[16] Substantive due process requires that the dismissal must be pursuant to either a just or an authorized cause under Articles 282, 283[17] or 284[18] of the Labor Code.[19]

On the other hand, procedural due process in dismissal cases consists of the twin requirements of notice and hearing.[20] The employer must furnish the employee with two written notices before the termination of employment can be effected: (1) the first notice apprises the employee of the particular acts or omissions for which his dismissal is sought; and (2) the second notice informs the employee of the employer's decision to dismiss him.[21] Before the issuance of the second notice, the requirement of a hearing must be complied with by giving the worker an opportunity to be heard.[22] It is not necessary that an actual hearing be conducted.[23]

In the present case, the Court shall first discuss whether respondent was able to comply with the substantive requirements of the law.

---

16 *ALPS Transportation v. Rodriguez,* G.R. No. 186732, June 13, 2013, 698 SCRA 423, 430.

17 Art. 283. *Closure of establishment and reduction of personnel*. The employer may also terminate the employment of any employee due to the installation of labor-saving devices, redundancy, retrenchment to prevent losses or the closing or cessation of operation of the establishment or undertaking unless the closing is for the purpose of circumventing the provisions of this Title, by serving a written notice on the workers and the Ministry of Labor and Employment at least one (1) month before the intended date thereof. In case of termination due to the installation of labor-saving devices or redundancy, the worker affected thereby shall be entitled to a separation pay equivalent to at least his one (1) month pay or to at least one (1) month pay for every year of service, whichever is higher. In case of retrenchment to prevent losses and in cases of closures or cessation of operations of establishment or undertaking not due to serious business losses or financial reverses, the separation pay shall be equivalent to one (1) month pay or at least one-half (1/2) month pay for every year of service, whichever is higher. A fraction of at least six (6) months shall be considered one (1) whole year.

18 Art. 284. *Disease as ground for termination*. An employer may terminate the services of an employee who has been found to be suffering from any disease and whose continued employment is prohibited by law or is prejudicial to his health as well as to the health of his co-employees: *Provided,* That he is paid separation pay equivalent to at least one (1) month salary or to one-half (1/2) month salary for every year of service, whichever is greater, a fraction of at least six (6) months being considered as one (1) whole year.

19 *ALPS Transportation v. Rodriguez, supra* note 16.

20 *Skippers United Pacific, Inc., et al. v. Doza, et al.,* 681 Phil. 427, 439 (2012).

21 *Id.*

22 *Id.*

23 *Id.*

Article 282 of the Labor Code enumerates the just causes for the termination of the employment of an employee, to wit:

> Art. 282. *Termination by employer*. An employer may terminate an employment for any of the following causes:
>
> a. Serious misconduct or willful disobedience by the employee of the lawful orders of his employer or representative in connection with his work;
>
> b. Gross and habitual neglect by the employee of his duties;
>
> c. Fraud or willful breach by the employee of the trust reposed in him by his employer or duly authorized representative;
>
> d. Commission of a crime or offense by the employee against the person of his employer or any immediate member of his family or duly authorized representatives; and
>
> e. Other causes analogous to the foregoing.

In its decision, the CA held that respondent is not liable for illegal dismissal since petitioners were guilty of gross neglect of their duties which is a valid cause of termination under the Labor Code. The appellate court ruled that the documentary evidence submitted by respondent, specifically the sample letters written by respondent, dated January 20 and 25, 2001 and the letters of complaint written by Sta. Lucia, dated January 18, 2001, clearly established the voluntary and deliberate actions of petitioners to not report for work.

The Court does not agree.

Neglect of duty, to be a ground for dismissal under Article 282 of the Labor Code, must be both gross and habitual.[24] Gross negligence implies want of care in the performance of one's duties.[25] Habitual neglect imparts repeated failure to perform one's duties for a period of time, depending on the circumstances.[26] Under these standards and the circumstances obtaining in the case, the Court finds that the CA erred in concluding that petitioners were guilty of gross and habitual neglect of duties.

The Court quotes with approval the observations made by petitioners that the sample letters submitted by respondent cannot be a fair and accurate assessment of petitioners' reputed gross neglect of duties considering that

---

24 *Cavite Apparel, Incorporated v. Marquez*, G.R. No. 172044, February 6, 2013, 690 SCRA 48, 57.
25 *Id.*
26 *Id.*

they refer to incidents after the fact of their dismissal.[27] Petitioners correctly opined that the CA misappreciated the facts when evidence on record, specifically the letters dated June 18, 2001 of Sta. Lucia, reveals that petitioners' alleged "deliberate stoppage of work" and conspiracy "to abandon their daily assigned tasks which supposedly happened on January 16, 2001 refer to a date which occurred after their employment was terminated by respondent.[28]

In any case, even assuming that petitioners were indeed negligent, their inaction could only be regarded as a single or isolated act of negligence that cannot be categorized as habitual and gross, and, hence, not a just cause for their dismissal.[29]

More so, since this is the first time that petitioners allegedly committed gross and habitual neglect of duties, the Court finds that dismissal is too harsh a penalty to impose on petitioners. The Court reiterates that while jurisprudence recognizes management's prerogative to discipline its employees, the exercise of this prerogative should at all times be reasonable and should be tempered with compassion and understanding. Dismissal is the ultimate penalty that can be imposed on an employee. Where a penalty less punitive may suffice, whatever missteps may be committed by labor ought not to be visited with a consequence so severe for what is at stake is not merely the employee's position but his very livelihood and perhaps the life and subsistence of his family.[30]

Also worth stressing is the fact that in termination cases, the employer bears the burden of proving that the dismissal of the employee is for a just or an authorized cause.[31] Failure to dispose of the burden would imply that the dismissal is not lawful, and that the employee is entitled to reinstatement, backwages and accruing benefits.[32] Furthermore, dismissed employees are not required to prove their innocence of the employer's accusations against them.[33] Here, respondent miserably failed to discharge her burden of proving that petitioners' dismissal was based on a just cause.

Second, turning to the issue of procedural due process, it is apparent that respondent failed to comply with the twin requirements of notice and hearing. This is the unanimous finding of the LA, the NLRC and the CA.

---

27 See *rollo*, p. 86.
28 *Id.* at 88-89.
29 *St. Luke's Medical Center, Inc., et al. v. Notario,* 648 Phil. 285, 298 (2010).
30 *Cavite Apparel, Incorporated v. Marquez, supra* note 24, at 60.
31 *San Miguel Corp. v. NLRC,* 606 Phil. 160, 173 (2009).
32 *Id.*
33 *Id.*

In *Aliling v. Feliciano*,[34] this Court held that to effect a legal dismissal, the employer must show not only a valid ground therefor, but also that procedural due process has properly been observed.[35] When the Labor Code speaks of procedural due process, the reference is usually to the two-written notice rule envisaged in Section 2 (III), Rule XXIII, Book V of the Omnibus Rules Implementing the Labor Code, which provides:

> Section 2. *Standard of due process; requirements of notice*. – In all cases of termination of employment, the following standards of due process shall be substantially observed.
>
> I. For termination of employment based on just causes as defined in Article 282 of the Labor Code:
>
> (a) A written notice served on the employee specifying the ground or grounds for termination, and giving to said employee reasonable opportunity within which to explain his side;
>
> (b) A hearing or conference during which the employee concerned, with the assistance of counsel if the employee so desires, is given opportunity to respond to the charge, present his evidence or rebut the evidence presented against him; and
>
> (c) A written notice [of] termination served on the employee indicating that upon due consideration of all the circumstances, grounds have been established to justify his termination.
>
> In case of termination, the foregoing notices shall be served on the employee's last known address.[36]

None of aforementioned procedural requisites were complied with by the respondent.

Records show that the only effort to comply with procedural due process in dismissing petitioners were the sample letters written by respondent, which unfortunately, were not even sufficiently shown to have been sent to petitioners. In fact, respondent's self-serving sample letters as well as the letters of Sta. Lucia were only made known to petitioners when said documents were attached to respondent's Position Paper[37] filed on April 16, 2001, at the arbitral stage of the proceedings. Neither was there any showing that petitioners were given the chance to explain their side or to respond to the charges against them and present evidence in their defense.

---

34 G.R. No. 185829, April 25, 2012, 671 SCRA 186.
35 *Aliling v. Feliciano, supra,* at 209.
36 *Id.*
37 *Rollo,* pp. 72-89.

In fine, respondent's lack of just cause and non-compliance with the procedural requisites in terminating petitioners' employment taints the latter's dismissal with illegality.

Where the dismissal was without just or authorized cause and there was no due process, Article 279[38] of the Labor Code, as amended, mandates that the employee is entitled to reinstatement without loss of seniority rights and other privileges and full backwages, inclusive of allowances, and other benefits or their monetary equivalent computed from the time the compensation was not paid up to the time of actual reinstatement.[39] However, if reinstatement is no longer possible, the backwages shall be computed from the time of the employee's illegal termination up to the finality of the decision.[40]

In this case, reinstatement is no longer possible because of the length of time that has passed from the date of the incident to final resolution of the case. More than fourteen years have already transpired from the time petitioners were wrongfully dismissed. To order reinstatement at this juncture will no longer serve any prudent or practical purpose.[41] Thus, in the instant case, petitioners are entitled to an award of full backwages from the time they were illegally dismissed on January 15, 2001 up to the finality of this Decision.

In addition to payment of backwages, petitioners are also entitled to separation pay[42] equivalent to one (1) month pay for every year of service, with a fraction of at least six (6) months considered as one (1) whole year, from the time of their illegal dismissal up to the finality of this judgment, as an alternative to reinstatement.[43]

Also, in accordance with prevailing jurisprudence, legal interest shall be imposed on the monetary awards herein granted at the rate of six percent (6%) *per annum* from the finality of this Decision until fully paid.[44]

---

[38] Art. 279. *Security of tenure*. In cases of regular employment, the employer shall not terminate the services of an employee except for a just cause or when authorized by this Title. An employee who is unjustly dismissed from work shall be entitled to reinstatement without loss of seniority rights and other privileges and to his full backwages, inclusive of allowances, and to his other benefits or their monetary equivalent computed from the time his compensation was withheld from him up to the time of his actual reinstatement.

[39] *Perez, et al. v. Philippine Telegraph and Telephone Co., et al.,* 602 Phil. 522, 543 (2009).

[40] *Leus v. St. Scholastica's College Westgrove and/or Sr. Edna Quiambao, OSB,* G.R. No. 187226, January 28, 2015.

[41] *Perez, et al. v. Philippine Telegraph and Telephone Co., et. al., supra* note 39.

[42] *Bani Rural Bank, Inc. v. De Guzman,* G.R. No. 170904, November 13, 2013, 709 SCRA 330, 348-349.

[43] *Leus v. St. Scholastica's College Westgrove and/or Sr. Edna Quiambao, supra* note 40; *De Guzman v. NLRC,* 564 Phil. 600, 614 (2007).

[44] *Leus v. St. Scholastica's College Westgrove and/or Sr. Edna Quiambao, supra* note 40, citing *Garza v. Coca-Cola Bottlers Philippines, Inc.*, G.R. No. 180972, January 20, 2014, 714 SCRA 251, 274-275 and *Nacar v. Gallery Frames,* G.R. No. 189871, August 13, 2013, 703 SCRA 439, 458.

Finally, as to petitioners' allegation that the Affidavits of Desistance with accompanying Quitclaims and Waivers executed by 11 of the 38 original complainants are invalid, the NLRC and the CA were one in concluding that these documents are valid. Thus, the Court finds it sufficient to quote, with approval, the findings of the NLRC on the matter, to wit:

> x x x x
>
> 1. Nine sets of documents were submitted by the respondents in March 2005 and the other two were presented in November 2005. However, complainants assailed the same for the first time only after about two years or in April 2007;
>
> 2. At the time the same were submitted by the respondents, complainants were represented by their original counsel and the latter was furnished with copies of the said documents;
>
> 3. While several complainants signed the Verification attached to the motion seeking a reconsideration of Our recognition of the eleven Affidavits with Quitclaims and Waivers, not even one of those who desisted and withdrew had signed the same; and
>
> 4. Similarly, not a single desisting complainant had signed the manifestation authorizing the new counsel to represent the complainants in all the proceedings relevant to the instant case.
>
> x x x[45]

WHEREFORE, premises considered, the instant petition is **PARTIALLY GRANTED**. The Decision dated May 29, 2009 and Resolution dated August 18, 2009 of the Court of Appeals in CA-G.R. SP No. 104305 are hereby **REVERSED** and **SET ASIDE**.

The Court **REINSTATES with MODIFICATION** the March 31, 2003 Decision of the Labor Arbiter, as follows: (1) the award of full backwages shall be computed from the time petitioners were illegally dismissed from their employment on January 15, 2001 up to the finality of this Decision; (2) in lieu of reinstatement, respondent is directed to pay petitioners separation pay equivalent to one (1) month pay for every year of service, with a fraction of at least six (6) months considered as one (1) whole year, from the time of their illegal dismissal up to the finality of this Decision; (3) the monetary awards herein granted shall earn legal interest at the rate of six percent (6%) *per annum* from the date of the finality of this Decision until fully paid.

The Decision of the Labor Arbiter is **AFFIRMED** in all other respects.

---

[45] See NLRC Resolution dated March 28, 2008, *rollo*, p. 190.

SO ORDERED.

DIOSDADO M. PERALTA
Associate Justice

WE CONCUR:

PRESBITERO J. VELASCO, JR.
Associate Justice
Chairperson

LUCAS P. BERSAMIN
Associate Justice

MARTIN S. VILLARAMA, JR.
Associate Justice

BIENVENIDO L. REYES
Associate Justice

ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

PRESBITERO J. VELASCO, JR.
Associate Justice
Chairperson, Third Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

MARIA LOURDES P. A. SERENO
Chief Justice

CERTIFIED TRUE COPY
WILFREDO V. LAPITAN
Division Clerk of Court
Third Division
JAN 08 2016