



Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

LORELEI O. ILADAN,
Petitioner,

G.R. No. 203882

Present:

- versus -

CARPIO, Chairperson,
BRION,
DEL CASTILLO,
MENDOZA, and
LEONEN, JJ.

**LA SUERTE INTERNATIONAL
MANPOWER AGENCY, INC.,
and DEBBIE LAO,**
Respondents.

Promulgated:

11 JAN 2016

X

X

DECISION

DEL CASTILLO, J.:

By this Petition for Review on *Certiorari*,¹ petitioner Lorelei O. Iladan (Iladan) assails the May 16, 2012 Decision² and October 4, 2012 Resolution³ of the Court of Appeals (CA) in CA-G.R. SP No. 119903, which reversed the February 23, 2011⁴ and March 31, 2011⁵ Resolutions of the National Labor Relations Commission (NLRC) and consequently dismissed her complaint for illegal dismissal against respondents La Suerte International Manpower Agency, Inc. (La Suerte) and its President and General Manager Debbie Lao (Lao).

Factual Antecedents

La Suerte is a recruitment agency duly authorized by the Philippine Overseas Employment Administration (POEA) to deploy workers for overseas employment. On March 20, 2009, La Suerte hired Iladan to work as a domestic helper in Hongkong for a period of two years with a monthly salary of

¹ *Rollo*, pp. 3-33.

² *CA rollo*, pp. 388-402; penned by Associate Justice Franchito N. Diamante and concurred in by Associate Justices Jane Aurora C. Lantion and Rodil V. Zalameda.

³ *Id.* at 433-435.

⁴ NLRC records, Vol. 1, pp. 288-306; penned by Presiding Commissioner Raul T. Aquino and concurred in by Commissioners Teresita D. Castillon-Lora and Napoleon M. Menese.

⁵ *Id.* at 340-341.

HK\$3,580.00.⁶ On July 20, 2009, Iladan was deployed to her principal employer in Hongkong, Domestic Services International (Domestic Services), to work as domestic helper for Ms. Muk Sun Fan.

On July 28, 2009 or barely eight days into her job, Iladan executed a handwritten resignation letter.⁷ On August 6, 2009, in consideration of ₱35,000.00 financial assistance given by Domestic Services, Iladan signed an Affidavit of Release, Waiver and Quitclaim⁸ duly subscribed before Labor Attache Leonida V. Romulo (Labor Attache Romulo) of the Philippine Consulate General in Hongkong. On the same date, an Agreement,⁹ was signed by Iladan, Conciliator-Mediator Maria Larisa Q. Diaz (Conciliator-Mediator Diaz) and a representative of Domestic Services, whereby Iladan acknowledged that her acceptance of the financial assistance would constitute as final settlement of her contractual claims and waiver of any cause of action against respondents and Domestic Services. The Agreement was also subscribed before Labor Attache Romulo. On August 10, 2009, Iladan returned to the Philippines.

Thereafter, or on November 23, 2009, Iladan filed a Complaint¹⁰ for illegal dismissal, refund of placement fee, payment of salaries corresponding to the unexpired portion of the contract, as well as moral and exemplary damages, against respondents. Iladan alleged that she was forced to resign by her principal employer, threatened with incarceration; and that she was constrained to accept the amount of ₱35,000.00 as financial assistance as she needed the money to defray her expenses in going back to the Philippines. She averred that the statements in the Affidavit of Release, Waiver and Quitclaim and the Agreement were not fully explained in the language known to her; that they were considered contracts of adhesion contrary to public policy; and were issued for an unreasonable consideration. Iladan claimed to have been illegally dismissed and entitled to backwages corresponding to the unexpired portion of the contract, reimbursement of the placement fee in the amount of ₱90,000.00, as well as payment of damages and attorney's fee for the litigation of her cause.

To prove that she incurred debts for the placement fee, Iladan presented a) a mortgage deed¹¹ and a deed¹² of transfer of rights over her family's properties in favor of other persons, b) a sworn statement¹³ of her mother, Rebecca U. Ondoy (Ondoy), stating that Iladan paid ₱30,000.00 in cash to respondents for the placement fee, and borrowed ₱60,000.00 from Nippon Credit Corp., Inc. (Nippon), a lending company referred by respondents, and c) a demand letter¹⁴ from Nippon demanding payment of her loan.

⁶ Id. at 31-34.

⁷ Id. at 35.

⁸ Id. at 36.

⁹ Id. at 37.

¹⁰ Id. at 1-2.

¹¹ Id. at 22.

¹² Id. at 23.

¹³ Id. at 46-47.

¹⁴ Id. at 50-51.

Respondents, on the hand, averred that Iladan was not illegally dismissed but voluntarily resigned as shown by: (1) her handwritten resignation letter and (2) the Affidavit of Release, Waiver and Quitclaim and the Agreement, both voluntarily executed by her before Philippine Consulate officials in Hongkong. Respondents also denied collecting a placement fee considering the prohibition in the POEA rules against the charging of placement fee for domestic helpers deployed to Hongkong.

Ruling of the Labor Arbiter

In a Decision¹⁵ dated August 11, 2010, the Labor Arbiter declared Iladan to have been illegally dismissed and that she was only forced by respondents to resign. The Labor Arbiter was not persuaded by respondents' allegation that Iladan resigned since she was barely eight days into her job without specifying any credible reason considering what she had gone through to get employment abroad. The Labor Arbiter did not consider the Affidavit of Release, Waiver and Quitclaim and the Agreement as proofs that Iladan voluntarily resigned because she was not assisted by any lawyer or Consulate official who could have explained the import of these documents. Moreover, quitclaims are looked upon with disfavor and do not estop employees from pursuing their just claims. The Labor Arbiter also struck down respondents' allegation that they did not charge any placement fee considering that they are engaged in recruitment and placement for profit. Besides, Iladan submitted evidence to prove payment thereof.

Thus, the Labor Arbiter awarded Iladan her salaries corresponding to the unexpired portion of her contract, net of the ₱35,000.00 she had already received. Respondents were also ordered to refund the placement fee, and to pay moral and exemplary damages as well as attorney's fees. Thus:

WHEREFORE, premises considered, complainant's complaint is meritorious as she was illegally terminated by respondents.

Respondents La Suerte International Manpower Agency, Domestic Services International and Debbie S. Lao, are jointly and solidarily liable to pay complainant Lorelei O. Iladan the following monetary awards, to wit:

1. Refund of complainant's placement fee of ₱90,000.00 plus 12% per annum;
2. Payment of complainant's 24 monthly salary based on the contract at HK\$3,580.00 per month or its Philippine Peso equivalent less the ₱35,000.00 given as financial assistance;
3. Moral damages of ₱100,000.00;
4. Exemplary damages of ₱30,000.00;

¹⁵ Id. at 66-75; penned by Labor Arbiter Quintin B. Cueto III.

5. Attorney's fee of 10% of the total monetary award.

SO ORDERED.¹⁶

Ruling of the National Labor Relations Commission

On appeal with the NLRC, respondents averred that the Labor Arbiter erred in holding that the resignation was not voluntary. They claimed that Iladan's unsubstantiated allegations of harassment and coercion cannot prevail over a waiver and a settlement which were verified by the Philippine Consulate officials in the regular performance of their duties. They also insisted that there was no credible proof that placement fee was paid.

In a Resolution¹⁷ dated February 23, 2011, the NLRC dismissed the appeal and affirmed the Labor Arbiter's judgment. The NLRC observed that respondents' dismissal was without just cause and due process since no specific reason was given for Iladan's alleged voluntary resignation. The NLRC found credible Iladan's claim that the amount she received from respondents as financial assistance was not a settlement but an enticement for her to leave her workplace. Further, the NLRC ruled that while the Affidavit of Release, Waiver and Quitclaim and the Agreement were executed before Consular officials, it cannot be presumed that the consular officials regularly performed their duties because respondents failed to adduce proof that the contents of these documents were fully explained in the language known to Iladan. The NLRC noted that respondents' general denial that placement fee was paid cannot prevail over the positive allegations of witness supported by evidence.

Respondents filed a motion for reconsideration which was denied in the NLRC Resolution¹⁸ of March 31, 2011.

Ruling of the Court of Appeals

Respondents sought recourse to the CA via a Petition for *Certiorari*. In a Decision¹⁹ dated May 16, 2012, the CA granted the Petition for *Certiorari*, reversed the findings of both the Labor Arbiter and NLRC and dismissed Iladan's complaint for illegal dismissal. According to the CA, Iladan was not dismissed but voluntarily resigned as substantially proven by her resignation letter, the Affidavit of Release, Waiver and Quitclaim and the Agreement which were both executed before the Philippine Consulate General as well as her acceptance of ₱35,000.00 as full settlement of her claims. Iladan's execution and signing of a settlement and affidavit duly assisted by the Labor Attache and a Conciliator-Mediator convinced the CA that Iladan voluntarily severed her employment relation with respondents. Moreover, the CA held that Iladan failed to prove that

¹⁶ Id. at 75.

¹⁷ Id. at 288-306.

¹⁸ Id. at 340-341.

¹⁹ CA *rollo*, pp. 388-402.

she paid any placement fee. Hence, the CA attributed grave abuse of discretion on the part of the NLRC in ruling that Iladan was coerced into resigning and in holding that placement fee was paid despite absence of any factual basis.

Iladan filed a motion for reconsideration which was denied in the CA Resolution²⁰ of October 4, 2012.

Issues

Hence, this Petition raising the following issues: (1) whether the CA may reverse the factual findings of both the Labor Arbiter and the NLRC; (2) whether Iladan's resignation and her execution of the Affidavit of Release, Waiver and Quitclaim and the Agreement were all voluntarily made; (3) whether Iladan's acceptance of the financial assistance constitutes final settlement of her claims against respondents; (4) whether Iladan was illegally dismissed; and (5) whether Iladan paid any placement fee.

Our Ruling

The Petition is without merit. The CA did not err in finding that the NLRC committed grave abuse of discretion in its decision.

Iladan contends that the CA failed to prove any grave abuse of discretion on the part of the NLRC and thus had no basis in reversing the NLRC resolutions which affirmed the Labor Arbiter's Decision. She argues that a writ of *certiorari* may not be used to correct the Labor Arbiter's and NLRC's evaluation of evidence and factual findings. She avers that the factual findings of the Labor Arbiter and the NLRC are entitled to great weight and should be accorded respect and finality.

Iladan's arguments are untenable. In a special civil action for *certiorari*, the CA has ample authority to receive and review the evidence and make its own factual determination.²¹ Thus, the CA is not precluded from reviewing factual findings and conclusions of the NLRC when it finds that the NLRC committed grave abuse of discretion in disregarding evidence material to the controversy.²² In the present case, we find that the Labor Arbiter and the NLRC acted with grave abuse of discretion because their factual findings were arrived at in disregard of the evidence.

²⁰ Id. at 433-435.

²¹ *Maralit v. Philippine National Bank*, 613 Phil. 270, 288-289 (2009).

²² *Pepsi-Cola Products Philippines, Inc. v. Molon*, G.R. No. 175002, February 18, 2013, 691 SCRA 113, 125.

***Iladan's resignation was voluntary;
there was no illegal dismissal.***

In illegal dismissal cases, the employer has the burden of proving that the employee's dismissal was legal. However, to discharge this burden, the employee must first prove, by substantial evidence, that he had been dismissed from employment.²³

Iladan maintains that she was threatened and coerced by respondents to write the resignation letter, to accept the financial assistance and to sign the waiver and settlement. Consequently, she insists that her act of resigning was involuntary.

The Court is not convinced as we find no proof of Iladan's allegations. It is a settled jurisprudence that it is incumbent upon an employee to prove that his resignation is not voluntary.²⁴ However, Iladan did not adduce any competent evidence to prove that respondents used force and threat.

For intimidation to vitiate consent, the following requisites must be present: (1) that the intimidation caused the consent to be given; (2) that the threatened act be unjust or unlawful; (3) that the threat be real or serious, there being evident disproportion between the evil and the resistance which all men can offer, leading to the choice of doing the act which is forced on the person to do as the lesser evil; and (4) that it produces a well-grounded fear from the fact that the person from whom it comes has the necessary means or ability to inflict the threatened injury to his person or property. In the instant case, not one of these essential elements was amply proven by [Iladan]. Bare allegations of threat or force do not constitute substantial evidence to support a finding of forced resignation.²⁵

Resignation is the voluntary act of an employee who is in a situation where one believes that personal reasons cannot be sacrificed in favor of the exigency of the service, and one has no other choice but to dissociate oneself from employment. It is a formal pronouncement or relinquishment of an office, with the intention of relinquishing the office accompanied by the act of relinquishment. As the intent to relinquish must concur with the overt act of relinquishment, the acts of the employee before and after the alleged resignation must be considered in determining whether in fact, he or she intended to sever from his or her employment.²⁶

In the instant case, Iladan executed a resignation letter in her own handwriting. She also accepted the amount of ₱35,000.00 as financial assistance and executed an Affidavit of Release, Waiver and Quitclaim and an Agreement, as settlement and waiver of any cause of action against respondents. The affidavit of waiver and the settlement were acknowledged/subscribed before Labor Attache

²³ *Brown Madonna Press Inc. v. Casas*, G.R. No. 200898, June 15, 2015.

²⁴ *Hechanova Bugay Vilchez Lawyers v. Matorre*, G.R. No. 198261, October 16, 2013, 707 SCRA 570, 582.

²⁵ *BMG Records (Phils.), Inc. v. Aparecio*, 559 Phil. 80, 93 (2007).

²⁶ *Id.* at 94.

Romulo on August 6, 2009, and duly authenticated by the Philippine Consulate. An affidavit of waiver duly acknowledged before a notary public is a public document which cannot be impugned by mere self-serving allegations.²⁷ Proof of an irregularity in its execution is absolutely essential. The Agreement likewise bears the signature of Conciliator-Mediator Diaz. Thus, the signatures of these officials sufficiently prove that Iladan was duly assisted when she signed the waiver and settlement. Concededly, the presumption of regularity of official acts may be rebutted by affirmative evidence of irregularity or failure to perform a duty.²⁸ In this case, no such evidence was presented. Besides, “[t]he Court has ruled that a waiver or quitclaim is a valid and binding agreement between the parties, provided that it constitutes a credible and reasonable settlement, and that the one accomplishing it has done so voluntarily and with a full understanding of its import.”²⁹ Absent any extant and clear proof of the alleged coercion and threats Iladan allegedly received from respondents that led her to terminate her employment relations with respondents, it can be concluded that Iladan resigned voluntarily.

No placement fee was paid.

Anent Iladan’s claim of payment of placement fee, the Court finds no sufficient evidence that payment had been made. Iladan and her mother’s affidavit attesting to its payment are self-serving evidence and deserve no weight at all. Neither did the mortgage loan and deed of transfer executed in favor of third persons as well as the letter from Nippon prove that placement fee was paid to respondents. These documents merely show that Iladan is indebted to certain persons and to Nippon; however, they do not prove that these indebtedness were incurred in connection with the placement fee she purportedly paid to respondents. As aptly ruled by the CA, Iladan has the burden of proving, with clear and convincing evidence, the fact of payment.

All told, the Labor Arbiter and the NLRC erred in finding that petitioner was illegally dismissed as no substantial evidence was adduced to sustain this finding. As shown above, Iladan failed to substantiate her claim of illegal dismissal for there was no proof that her resignation was tainted with coercion and threats, as she strongly claims.

“Although the Supreme Court has, more often than not, been inclined towards the workers and has upheld their cause in their conflicts with the employers, such inclination has not blinded it to the rule that justice is in every case for the deserving, to be dispensed in the light of the established facts and applicable law and doctrine.”³⁰

²⁷ *Heirs of Brusas v. Court of Appeals*, 372 Phil. 47, 58 (1999).

²⁸ *Sevilla v. Cardenas*, 529 Phil. 419, 433 (2006).

²⁹ *Plastimer Industrial Corp. v. Gopo*, 658 Phil. 627, 635 (2011).

³⁰ *Alfaro v. Court of Appeals*, 416 Phil. 310, 321 (2001).

WHEREFORE, the Petition is **DENIED**. The May 16, 2012 Decision and October 4, 2012 Resolution of the Court of Appeals in CA-G.R. SP No. 119903 are **AFFIRMED**.

SO ORDERED.


MARIANO C. DEL CASTILLO
Associate Justice

WE CONCUR:


ANTONIO T. CARPIO
Associate Justice
Chairperson


ARTURO D. BRION
Associate Justice


JOSE CATRAL MENDOZA
Associate Justice


MARVIC M.V.F. LEONEN
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.


ANTONIO T. CARPIO
Associate Justice
Chairperson

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

