

[SP No. 111922, July 22, 2010]

MATRIX HUMAN RESOURCES AND CONSULTANTS, INC. AND JED SEVILLA, PETITIONERS, VS. NATIONAL LABOR RELATIONS COMMISSION, SEVENTH DIVISION, QUEZON CITY, LABOR ARBITER CORAZON C. BORBOLLA, EXEQUIEL I. BORNALES, JR., AURELIO T. APON, JR.,^[] REYNALDO L. LIM, MARLON E. VILLAR, JOEL I. GUMAMELA^[***] AND JOEY B. CANEDO, RESPONDENTS.**

Court of Appeals

Before Us is a petition for certiorari^[1] seeking to nullify the *Decision*^[2] of the National Labor Relations Commission (NLRC) which affirmed the *Decision*^[3] of the Labor Arbiter in NLRC NCR OFW Case (L) No. 02-02613-08. Likewise challenged is the Resolution^[4] denying reconsideration thereof.

The Facts:^[5]

Sometime between April and June 2007, Exequiel I. Bornales^[6], Aurelio L. Alpon, Jr.^[7], Reynaldo L. Lim^[8], Marlon E. Villar^[9], Joel T. Gumamela^[10], and Joey B. Canedo^[11] (collectively, the Private Respondents) applied with Matrix Human Resources & Consultants, Inc.^[12] (Matrix) for overseas employment and were deployed to its foreign principal, Spark Security Services (Spark), as security guards in the United Arab Emirates (UAE).

Based on their Philippine Overseas Employment Authority (POEA)-approved *Master Employment Contract(s)*^[13] (Master Contracts), the Private Respondents were each entitled to a monthly salary of Three Hundred Fifty U.S Dollars (US\$350.00), or One Thousand Two Hundred Eighty Dirhams(AED1,280.00) for eight (8) hours of work, exclusive of overtime pay and other benefits, inclusive of free meals. Their employment was for a duration of two (2) years.

Sometime in December 2007, however, the Private Respondents resigned from their employment and returned to the Philippines in February 2008. On February 19, 2008, they filed a complaint^[14] for illegal dismissal and payment of wages, salary differentials, placement fee, interests, moral and exemplary damages, and attorney's fees, before the Labor Arbiter against Matrix and its President, Jed A. Sevilla (collectively, Petitioners).

In support of their complaint, the Private Respondents claim that, before their deployment, each of them was made to pay the amounts of Five Thousand Pesos (PhP5,000.00) as POEA processing fee, Twenty-Seven Thousand Pesos (PhP27,000.00) as placement fee, and Twenty-Two Thousand Pesos (PhP22,000.00) for plane fare. No receipt was given for the amount of Twenty-Two Thousand Pesos (PhP22,000.00) since it was secretly collected by the Petitioners, in breach of their

obligation to shoulder the transportation expenses of the Private Respondents. Upon their arrival at UAE, they (Private Respondents) were required by Spark to sign new employment contracts^[15] (New Contracts) which amended or superseded the provisions of their Master Contracts by providing them with a lower basic monthly salary of Eight Hundred Dirhams (AED800.00) for more than eight (8) hours of work without the benefits provided under the latter. They initially refused to sign the New Contracts and filed a complaint before the Philippine Labor Attache against Spark. The former sent a letter^[16] to the latter informing it of their obligation to comply with the Master Contracts but to no avail. Thus, they were left with no other alternative but to sign the New Contracts and receive lower salaries in order to support their families in the Philippines. Nonetheless, when the Implementation of the new terms and conditions of the New Contracts became unbearable, they resigned and pre-terminated their employment with Spark.

The Private Respondents allege that the execution of the New Contracts is unlawful and void since the same resulted in the amendment or alteration of the provisions of their Master Contracts without the requisite approval of the POEA. Moreover, with this families' welfare in mind, they were forced to sign the New Contracts despite their illegality and their being grossly disadvantageous to them. In view of the unbearable terms and conditions of the New Contracts, they had no choice but to resign. Thus, they pray for reimbursement of their placement fees and plane ticket fares with interest, payment of their wages for the unexpired portion of their Master Contracts, salary differentials, damages, and attorney's fees.

By way of opposition thereto, the Petitioners counter that they only charged the Private Respondents of placement fee equivalent to one (1) month salary, or Three Hundred Fifty U.S. Dollars (USD350.00), and processing fee of Five Thousand Pesos (PhP 5,000.00). Sometime in December 2007, they received communications from Spark informing them that the Private Respondents had voluntarily resigned from work due to their inability to cope with Arabic food and the unbearable weather conditions, more specifically, the extreme heat during daytime and the chilling coldness during nighttime. Consequently, the Petitioners received several requests from the Private Respondents seeking assistance for their repatriation to the Philippines. When the former could not immediately process the latter's repatriation, they (Private Respondents) became impatient and made allegations of irregularities in their salaries and employment contract to pressure them (Petitioners) into expediting their repatriation.

After the Private Respondents arrived in the Philippines, the Petitioners received demands for refund of the former's placement fees and their plane fares on the way back home. The Petitioners explained that no refund can be made since their separation from employment was due to their own fault and the plane fares to and from UAE were shouldered by the former.

The Petitioners maintain that they are not liable for the monetary claims of the Private Respondents since the termination of their employment contract was due to their voluntary resignation in view of their inability to adjust to the weather conditions of the UAE. Moreover, they insist that they were the ones who shouldered the plane fares to and from UAE, and not the Private Respondents. Also, no overcharging or double charging of placement fees were done because they only charged the Private Respondents with a placement fee equivalent to their one (1)

month salary, or Three Hundred Fifty U.S. Dollars (USD350.00).^[17] As regards the Private Respondents' salaries, the Petitioners asseverate that Spark paid all their salaries in accordance with the Master Contracts. Thus, the Petitioners pray for the dismissal of the complaint.

On October 21, 2008, the Labor Arbiter rendered judgment finding Matrix liable for the Private Respondents' illegal dismissal and for the payment of their monetary claims, viz:

WHEREFORE, foregoing premises considered, judgment is hereby rendered finding complainants to have been illegally dismissed.

Respondent **Matrix Human Resources & Consultants, Inc.** is hereby ordered to pay each complainant the following amounts:

1. Exequiel I. Bornaes, Jr.	— US\$1,400.00 plus 3,840.00 Dirhams
2. Aurelio L. Alpon, Jr.	— US\$1,400.00 plus 3,840.00 Dirhams
3. Reynaldo L. Lim	— US\$1,400.00 plus 3,840.00 Dirhams
4. Marlon E. Villar	— US\$1,400.00 plus 3,840.00 Dirhams
5. Joel I. Gumanela	— US\$1,400.00 plus 3,840.00 Dirhams
6. Joey B. Canedo	— <u>3,840.00 Dirhams</u>
TOTAL:	US\$1,400.00 plus US\$8,400.00 PLUS 23,040 Dirhams

or their peso equivalent at the time of their actual payment.

All other claims are dismissed for lack of merit.

SO ORDERED.^[18]

Finding the above disposition unsatisfactory, the Petitioners appealed the same to the NLRC.^[19] June 10, 2009,

however, the NLRC rendered judgment affirming the disposition of the Labor Arbiter.^[20] A subsequent reconsideration thereof was likewise denied.^[21] Hence, the instant petition.

The Issues:

In assailing the NLRC's judgment, the Petitioners raise the following errors:

IT IS RESPECTFULLY SUBMITTED THAT PUBLIC RESPONDENT SEVENTH DIVISION OF THE NLRC, COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION IN AFFIRMING THE LABOR ARBITER'S DECISION BY DECLARING THAT:

I. PETITIONER MATRIX IS LIABLE FOR UNDERPAYMENT OF WAGES.

II. PRIVATE RESPONDENT'S (sic) WERE ILLEGALLY DISMISSED.

III. THE RECEIPT, RELEASE and QUITCLAIM OF COMPLAINANTS' (sic) LIM AND BORNALES CANNOT BE GIVEN WEIGHT AND CONSIDERATION.^[22]

This Court's Ruling:

The Petitioners aver that the NLRC committed grave abuse of discretion when it relied on the Private Respondents' allegations of illegal dismissal despite the latter's admission that they voluntarily resigned and pre-terminated their employment's. They further aver that the allegations of the Private Respondents that they were forced to enter into a new contract were baseless and were merely concocted in order to conceal the real reason for their resignation, which is the unbearable weather condition and food in UAE.

We are not persuaded.

Based on the evidence at the hand, the Private Respondents were forced by Spark to sign the New Contracts^[23] which provided a monthly salary of the Eight Hundred Dirhams (AED800.00), instead of the One Thousand Two Hundred Eighty Dirhams (AED1,280.00) provided in the Master Contracts. Thereafter, they complained to the Labor Attache in UAE about the reduction in their monthly salary and the absence of free food. In response thereto, the Labor Attache issued a letter^[24] notifying Spark of said complaint and requesting it to comply with the POEA-approved Master Contracts. Spark, however, failed to comply with said directive. When they could no longer stand the unreasonable and unjust diminution in their pay, the Private Respondents resigned from their employment.

The foregoing circumstances manifestly show that the Private Respondents' "voluntary resignation" was brought about by Spark's act of forcing them to sign the New Contracts decreasing their salaries, and, thus, constitute constructive dismissal. There is constructive dismissal if an act of clear discrimination, insensibility, or disdain by an employer becomes so unbearable on the part of the employee that it would foreclose any choice by him except to forego his continued employment. It exists where there is a cessation of work because continued employment is rendered impossible, unreasonable, or unlikely, as an offer involving a demotion in rank and a diminution in pay.^[25] Consequently, the findings of the NLRC and the Labor Arbiter that the Private Respondents were constructively dismissed from their employment are correct.

In addition, We find it incredible that, after all the expenses and the trouble that the Private Respondents went through in seeking greener pastures and the attendant hardships of being separated from their families, they would resign due to the shallow reason of unbearable weather conditions and food, return home, and be