

# FIRST DIVISION

[ G.R. No. 208920, July 10, 2019 ]

**JAIME BILAN MONTEALEGRE AND CHAMON'TE, INC.,  
PETITIONERS, V. SPOUSES ABRAHAM AND REMEDIOS DE VERA,  
RESPONDENTS.**

## D E C I S I O N

**JARDELEZA, J.:**

This is a petition for review on *certiorari*<sup>[1]</sup> assailing the Decision<sup>[2]</sup> dated January 18, 2013 and Resolution<sup>[3]</sup> dated August 30, 2013 of the Court of Appeals (CA) in CA-G.R. SP No. 126037 quashing the writ of execution and the alias writ of execution against respondent spouses Abraham and Remedios de Vera (respondents).

Jerson Servandil (Servandil) filed a complaint<sup>[4]</sup> for illegal dismissal against A. De Vera Corporation (Corporation). The case was referred to the National Labor Relations Commission (NLRC) and raffled to Labor Arbiter (LA) Joel Lustria.<sup>[5]</sup>

On November 27, 2003, the LA rendered a Decision<sup>[6]</sup> against the Corporation, finding it guilty of illegal dismissal and holding it liable to Servandil for backwages, separation pay and unpaid salary. The dispositive portion of the LA's Decision reads:

WHEREFORE, premises considered, judgment is hereby rendered finding respondent guilty of illegal dismissal. Consequently, respondent is ordered liable:

1. To pay the complainant the amount of P363,293.55, representing his backwages, computed only up to the promulgation of this decision;
2. To pay the complainant the amount of P53,300.00, representing his separation pay;
3. To pay complainant the amount of P11,890.00, representing his unpaid salary from July 1, 1998 to September 27, 1998.

Other claims are dismissed for lack of merit.

SO ORDERED.<sup>[7]</sup>

The corporation filed an appeal before the NLRC, which was dismissed for lack of jurisdiction because of the failure to post the appeal bond. The NLRC, in its Resolution<sup>[8]</sup> dated January 31, 2005, likewise denied the corporation's motion for reconsideration.

The CA likewise denied the petition for certiorari filed before it.<sup>[9]</sup> When the case was elevated to the Supreme Court, the petition was denied on April 23, 2007 for failure to show any reversible error in the CA Decision.<sup>[10]</sup>

Meanwhile, on March 15, 2005, the NLRC issued an Entry of Judgment<sup>[11]</sup> declaring that its January 31, 2005 Resolution had become final and executory.

Consequently, a Writ of Execution<sup>[12]</sup> dated May 22, 2007 was issued commanding the sheriff to proceed against the movable and immovable properties of the corporation and respondent Abraham De Vera, viz.:

NOW THEREFORE, you are hereby commanded to proceed to the premises of the respondents A. DE VERA CORPORATION and ABRAHAM DE VERA, located at 16/F Citibank Tower, Citibank Plaza, 8741 Paseo de Roxas, Valero St., Makati City or wherever they maybe found within the Philippines, to collect the amount of THREE HUNDRED SIXTY THREE THOUSAND TWO HUNDRED NINETY THREE AND 55/100 (P363,293.55) PESOS, representing complainant's backwages; the sum of FIFTY THREE THOUSAND THREE HUNDRED (P53,300.00) PESOS, as his separation pay, plus the amount of ELEVEN THOUSAND EIGHT HUNDRED NINETY (P11,890.00), representing his unpaid salary from July 1, 1998 to September 27, 1998. Any proceeds thereof shall be turned over to the NLRC Cashier for proper disposition to the complainant.

In case you failed to collect sufficient amount in cash, you are hereby further commanded to proceed against the movable and immovable properties of the respondents not exempt from the execution, and all proceeds must be deposited to the NLRC Cashier of this Commission. For further appropriate action.<sup>[13]</sup>

When the Writ of Execution was returned unsatisfied, Servandil moved for the issuance of an alias writ of execution which was granted. The pertinent portions of the Alias Writ of Execution<sup>[14]</sup> dated February 11, 2008 read:

NOW THEREFORE, you are hereby commanded to proceed to the premises of the respondents A. DE VERA CORPORATION and ABRAHAM DE VERA, located at 16/F Citibank Tower, Citibank Plaza, 8741 Paseo de Roxas, Valero St., Makati City or wherever they maybe found within the Philippines, to collect the amount of THREE HUNDRED SIXTY THREE THOUSAND TWO HUNDRED NINETY THREE AND 55/100 (P363,293.55) PESOS, representing complainant's backwages; the sum of FIFTY THREE THOUSAND THREE HUNDRED (P53,300.00) PESOS, as his separation pay, plus the amount of ELEVEN THOUSAND EIGHT HUNDRED NINETY (P11,890.00), representing his unpaid salary from July 1, 1998 to September 27, 1998. Any proceeds thereof shall be turned over to the NLRC Cashier for proper disposition to the complainant.

In case you failed to collect sufficient amount in cash, you are hereby further commanded to proceed against the movable and immovable properties of the respondents not exempt from the execution, and all proceeds must be deposited to the NLRC Cashier of this Commission. For further appropriate action.<sup>[15]</sup>

Pursuant to this writ, a parcel of land (property) registered in the name of respondents was levied upon and sold to petitioners Jaime Bilan Montealegre and Chamon'te, Inc. (petitioners) at a public auction on May 16, 2008.<sup>[16]</sup> As no redemption was made during the period provided by law, petitioners filed an omnibus motion<sup>[17]</sup> seeking the issuance of a final deed of sale, cancellation of title in the name of respondents, and the issuance of a new title in their names.

It was during this time that respondents realized that only the corporation was impleaded as party-respondent in Servandil's complaint for illegal dismissal. Thus, respondents filed a verified counter-manifestation with omnibus motion<sup>[18]</sup> stating that the property sold at auction does not belong to the judgment debtor, the corporation, but to respondents, who were not impleaded as party-respondents in the case for illegal dismissal. They likewise claimed that the property was conjugal and there was no showing that an advantage or benefit accrued to their conjugal partnership.

The LA denied respondents' omnibus motion in an August 25, 2011 Order,<sup>[19]</sup> the dispositive portion of which reads:

WHEREFORE, responsive to the foregoing, judgment is hereby rendered, directing Sheriff Manolito G. Manuel to issue and execute a Final Deed of Conveyance and/or Final Deed of Sale of the subject property in favor of the Purchasers/Appellees, JAIME BILAN MONTEALEGRE and [CHAMON'TE], INC.

Likewise, let the levy effected by the RTC Cebu Court Sheriff Rome C. Asombrado to the subject property be, as it is hereby LIFTED/CANCELLED, on the ground aforestated.

SO ORDERED.<sup>[20]</sup>

Aggrieved, respondents filed a petition before the NLRC with prayer for the issuance of a temporary restraining order (TRO) and/or writ of preliminary injunction to enjoin the LA or his representative from enforcing the August 25, 2011 Order.<sup>[21]</sup>

On October 10, 2011 and November 3, 2011, the NLRC issued a TRO and a writ of preliminary injunction,<sup>[22]</sup> respectively.

However, on March 29, 2012, it denied respondents' petition, affirming *in toto* the August 25, 2011 Order of the LA.<sup>[23]</sup> The NLRC noted that respondent Abraham filed an earlier omnibus motion dated May 19, 2008, which sought to annul the Notice of Sheriffs Sales for the levy and public sale of the property, and this omnibus motion was resolved in an Order<sup>[24]</sup> dated December 8, 2009. The December 8, 2009 Order declared that the levy and sale of the property is valid. Considering that no motion for reconsideration or appeal was filed, the December 8, 2009 Order became final and executory.<sup>[25]</sup> The NLRC held that respondents are prohibited to question a final and executory December 8, 2009 Order by assailing the August 25, 2011 Order, which merely enforced the earlier Order. More, the NLRC rejected respondent Abraham's argument that the corporation is a distinct entity and therefore, its creditors cannot go after his property. The NLRC reasoned that, although as a rule, the officers and members of a corporation are not personally liable for acts done in performance of their duties, an exceptional circumstance exists in this case, i.e., the

corporation is no longer existing and is unable to satisfy the judgment in favor of the employee. Finally, the NLRC declared that the validity of the levy and sale of the property cannot likewise be questioned on the basis that the property levied upon is a conjugal property of respondents. This is because respondent Remedios failed to file a third-party claim within five days from the last day of posting or publication of the notice of execution sale.<sup>[26]</sup> The NLRC likewise denied respondents' motion for reconsideration.<sup>[27]</sup>

Aggrieved, respondents filed a petition for *certiorari*<sup>[28]</sup> before the CA.

On January 18, 2013, the CA granted the petition and reversed the NLRC Resolutions. The decretal portion of the CA Decision<sup>[29]</sup> states:

**WHEREFORE**, premises considered, the instant petition is **GRANTED**. The Resolutions dated 29 March 2012 and 28 May 2012, respectively, of public respondent NLRC are **REVERSED** and **SET ASIDE**. The Order of public respondent Labor Arbiter dated 25 August 2011 is **ANULLED** and the Writ of Execution dated 22 May 2007 and Alias Writ of Execution dated 11 February 2008 are **QUASHED**.

The Labor Arbiter is **DIRECTED** to implement the final and executory Decision of the National Labor Relations Commission dated 27 November 2003 against all the assets of A. De Vera Corporation, in conformity with the terms of the dispositive portion of the said decision.

**SO ORDERED.**<sup>[30]</sup>

The CA stated that the respondent in the November 27, 2003 LA Decision<sup>[31]</sup> refers to the corporation and no other party-respondent was impleaded. The LA, however, ordered the execution against "A. De Vera Corporation and Abraham De Vera." Clearly, the writ of execution and the alias writ of execution modified and/or amended the final decision dated November 27, 2003. Respondent Abraham was never impleaded as a party-respondent in the complaint for illegal dismissal against A. De Vera Corporation. Therefore, the LA exceeded his authority and acted without jurisdiction in issuing said writs of execution, which do not conform to the dispositive of the final judgment. Thus, the December 8, 2009<sup>[32]</sup> and August 25, 2011<sup>[33]</sup> Orders directing the issuance of a final deed of sale to petitioners cannot validate the void writs of execution and could never attain finality.<sup>[34]</sup>

On August 30, 2013, the CA denied petitioners' motion for reconsideration.<sup>[35]</sup> It ruled that, contrary to petitioners' contentions, it is not undisputed that the corporation has ceased to exist. While Servandil alleged this fact before the LA, said closure is not supported by the evidence on record. Furthermore, the ruling in *A.C. Ransom Labor Union- CCLV v. NLRC*,<sup>[36]</sup> which made corporate officers liable in case of closure of the corporation is inapplicable in this case. Unlike in the present case, the corporate officers in *A.C. Ransom* were impleaded from the very beginning.

Hence, this petition arguing that the CA gravely erred in ruling that: 1) the Writ of Execution and the Alias Writ of Execution are void because they do not conform to the dispositive portion of the November 17, 2003 Decision holding the corporation liable for illegal dismissal; 2) respondent Abraham De Vera cannot be held liable as responsible officer of the corporation because he is not a party in the case filed