

THIRD DIVISION

[G.R. No. 183129, May 30, 2016]

**COCOPLANS, INC. AND CAESAR T. MICHELENA, PETITIONERS,
VS. MA. SOCORRO R. VILLAPANDO, RESPONDENT.**

DECISION

PERALTA, J.:

Before the Court is a petition for review on *certiorari* under Rule 45 of the Rules of Court seeking to reverse and set aside the Decision^[1] dated February 4, 2008 and Resolution^[2] dated May 27, 2008 of the Court of Appeals (CA) in CA-G.R. SP No. 88759, which reversed the Decision^[3] dated July 30, 2004 of the National Labor Relations Commission (NLRC) in NLRC Case CA No. 039310-04 and NLRC Case No. SRAB-IV-11-7279-02-B, which, in turn, reversed the Decision^[4] dated January 30, 2004 of the Labor Arbiter NLRC Case No. SRAB-IV-11-7279-02-B.

The factual antecedents are as follows.

Respondent Ma. Socorro R. Villapando, began working as a financial Advisor for petitioner Cocoplans, Inc., (*Cocoplans*) in 1995. On October 11, 2000, she was eventually promoted to Division Head/Senior Sales Manager. On November 4, 2002, however, her employment was terminated by Cocoplans, through its President, Caesar T. Michelena, on the alleged ground that she was deliberately influencing people to transfer to another company thereby breaching the trust and losing the confidence given to her by Cocoplans.^[5] Consequently, Villapando filed an action for illegal dismissal alleging that she was dismissed without the just cause mandated by law. In her Position Paper,^[6] Villapando alleged the following pertinent facts:

2. On September 25, 2002, respondent Michelena talked to complainant and accused the latter of ordering her subordinates to "stop selling" and of influencing them to "leave the company" by way of sympathy to Dado B. Martinez who was compelled to resign from the company due to a personal quarrel with respondent Michelena. In the said conversation, respondent Michelena told complainant that "we cannot work together" and "I want your resignation tomorrow."

3. In a written statement signed by a number of officers of COCOPLANS, a copy of which is hereto attached as Annex "B," it was attested that complainant did not order a "stop selling" and that complainant did not influence her subordinates to leave the company.

4. On September 26, 2002, and September 27, 2002, Jaclyn Yang, the Secretary of respondent Michelena persistently followed up from complainant the resignation letter being required by respondent

Michelena.

5. Harassed and pressured, complainant wrote a letter dated October 3, 2002 to Atty. Alfredo Tumacder, Jr., the Managing Director of COCOPLANS, INC., a copy of which is hereto attached as Annex "C." In said letter, complainant categorically denied that she ordered "stop selling." She also denied that she influenced her subordinates to leave the company. She also expressed that she is resigning as required by respondent Michelena.

6. On October 4, 2002, respondent Michelena sent a letter to complainant, a copy of which is hereto attached as Annex "D," changing his original position. Surprisingly, respondent Michelena did not accept the resignation that he originally asked for and instead convened a Committee on Employee Discipline. Complainant was also placed under preventive suspension in said letter. Obviously, respondents realized that they erred in not investigating the issues first before asking complainant to resign.

7. In a letter dated October 9, 2002, a copy of which is hereto attached as Annex "E," complainant stated -

"x x x I also do not understand why you want an investigation while you have effectively convicted me and terminated me during the said meeting on September 25, 2002. As far as I know, I have already been terminated.

In any event, may I know what are the accusations against me and who are accusing me. May I also know your reason and basis for the preventive suspension."

8. COCOPLANS sent a letter to complainant on October 22, 2002, a copy of which is hereto attached as Annex "F," asking complainant to submit a written explanation and extending the preventive suspension. She was then furnished with a Sworn Statement of Mila Perez and David Sandoval, a copy of which is hereto attached as Annex "G." There was no explanation given as to the imposition of preventive suspension, much less for the extension thereof.

9. In response, complainant submitted an explanation letter dated October 25, 2002, a copy of which is hereto attached as Annex "H." She denied the accusations that she ordered to stop selling and that she was influencing her subordinates to leave COCOPLANS and transfer to Pioneer Allianz.

10. Thereafter, complainant was furnished with a letter dated October 28, 2002, a copy of which is hereto attached as Annex "I" and an Affidavit of respondent Michelena, a copy of which is hereto attached as Annex "J." Respondent Michelena alleged that complainant was the one who wanted to resign although he admitted that he asked his secretary to follow up the resignation letter from complainant.

11. In response, complainant sent a letter dated October 29, 2002, copy hereto attached as Annex "K," denying the allegations of respondent Michelena and reiterating her previous statement that she was being forced to resign.

12. In a letter dated November 4, 2002 signed by respondent Michelena, a copy of which is hereto attached as Annex "L," complainant was formally terminated.^[7]

Thus, Villapando maintained that she was illegally dismissed for her employment was terminated on baseless and untruthful grounds. According to her, Michelena simply wanted to oust her from the company because he felt that she was sympathizing with the Vice-President for Marketing, Dario B. Martinez, an officer with whom Michelena had a personal quarrel.^[8] That she was influencing the company's employees to transfer to another company, particularly, Pioneer Allianz, was improbable and preposterous for she never invited nor encouraged anyone to leave the company. In fact, up until the present time, not a single subordinate nor Villapando, herself, has transferred to said other company.

In support of her stance, Villapando submitted a written statement^[9] signed by Ms. Milagros Perez, Senior Area Manager, together with six (6) other officers of the company, wherein they attested that Villapando never influenced them to resign or join another company. With respect to a contradictory Joint Affidavit^[10] likewise executed by the same Ms. Perez, together with Senior Area Manager David M. Sandoval, wherein they stated that Villapando, indeed, motivated them to transfer to another company, Villapando alleged that the written statement earlier signed by Ms. Perez belies the Joint Affidavit she subsequently executed.^[11] Thus, the contents of the written statement should be controlling. In view of the baseless allegations the company dismissed her on, Villapando prayed that her termination from employment be declared illegal and that she be awarded full backwages, separation pay, and moral damages.

In their opposing Position Paper,^[12] however, petitioners Cocoplans and Michelena attested to a different set of factual antecedents, to wit:

It has been discovered by herein respondents that the Complainant has instigated the Sales Force of COCOPLANS in her area of responsibility, to either slow down sales production or completely stop selling, then join a mass resignation and transfer to a competitor company which was allegedly much better than COCOPLANS.

This sinister plot started sometime in the middle of February 2002, when a meeting was presided by the then First Vice-President for Marketing of COCOPLANS, who instead of discussing new trends in marketing strategies and how to improve sales production, concentrated more on his sentiments and personal problems with the company. One month thereafter, the Complainant called a Managers' meeting and informed them that the said First Vice-President for Marketing and his group, will transfer to another company. As a member of that group, the Complainant was motivating the Sales Managers to join the said transfer as the other company was purportedly better than COCOPLANS. The

Complainant was also convincing the Sales Managers to join the mass resignations nationwide thereby paralyzing sales production for COCOPLANS. Attached hereto as Annex "A" and made integral part of this position paper is the joint affidavit of two (2) sales managers who attended that crucial meeting and attested to the truth of what transpired thereat.

Again, in March 2002, the Complainant officiated a division meeting in Lipa City, together with the said First Vice-President for Marketing, attended by sales associates from Lipa, Lucena, Mindoro and San Pablo branches of COCOPLANS, as well as by the Branch Cashier, Ms. Sharon Gurango. In that meeting, the cashier, Ms. Gurango was told that 70-80% of the Sales Force will move out of COCOPLANS and the Complainant asked her if [she] was willing to join the group, and her answer was yes. Thereafter, Ms. Gurango was kept constantly updated on the developments on the said plan by the Complainant and that the group might leave COCOPLANS either June or July 2002. Attached also hereto as Annex "B" and made integral part hereof is the sworn report of the said Branch Cashier, Ms. Sharon Gurango, dated September 19, 2002.

Because of the persistent flow of information that the Sales Force will proceed with their planned mass resignations as agitated by the Complainant, the President of COCOPLANS confronted her on September 20, 2002 and when asked -

"Did you at any time during this year tell your people of leaving COCOPLANS for another company?"

The Complainant replied "Yes Sir!" thereby directly admitting the truth of the information received by the President himself. Attached as Annex "C" and made integral part hereof is the affidavit of the President of COCOPLANS. Having been embarrassed, the Complainant later on filed a resignation letter, which was not accepted, as the Committee on Employee Discipline was already convened to conduct a hearing on the alleged acts committed by the complainant, and to receive any further explanation on the matter.

Attached hereto and marked as Annex "D" and likewise made integral part of this position paper, is the notice to the Complainant dated October 4, 2002 regarding the meeting scheduled by the Committee on Employee Discipline setting the date, October 10, 2002 for Complainant to give her explanation, and putting her on preventive suspension for three (3) weeks. Notwithstanding receipt of said notice, the Complainant, for reasons known only to her, did not attend said meeting. However, the witnesses who submitted their sworn statements attended the meeting, as shown in the minutes of the meeting, hereto attached marked as Annex "E" and made integral part hereof. Still, the complainant was given another opportunity to explain why no disciplinary action should be taken against her for her deliberate attempt to encourage sales staff to move to another company. Attached hereto and marked as Annex "F" is another notice to the Complainant giving her until October 25, 2002 to explain

her position.

While the Complainant did file a written explanation, the Committee on Employee Discipline decided to schedule another meeting for further clarification, and notice about this meeting was duly received by the Complainant. Attached hereto as Annex "G" and made integral part hereof is said notice of hearing. However, on said date of hearing, Complainant again failed to appear. Consequently, on November 4, 2002 the Committee on Employee Discipline rendered a final recommendation, a copy of which is also hereto attached marked as Annex "H," and thereupon the President of COCOPLANS advised the Complainant of her termination for cause. x x x^[13]

Based on the aforequoted set of facts, together with the supporting evidence submitted, petitioners insist that Villapando's suspension and eventual termination was for just cause due to the fact that she wilfully breached petitioners' trust in her when she deliberately encouraged her very own sales staff to move to another company.^[14]

On January 30, 2004, the Labor Arbiter ruled in favor of Villapando finding that she was illegally terminated from her employment. According to the Labor Arbiter, evidence clearly shows that the initial investigation conducted by the Committee on Employee Discipline was merely to determine the truth about the allegations of Villapando in her resignation letter that she was being forced to resign. But in Michelena's desire to terminate Villapando's employment, he instructed the committee to expand the scope of investigation to her alleged acts of motivating her subordinates to transfer to another company. He fished for evidence resulting in conflicting testimonies made by the same witnesses. But as between the written statement and the joint affidavit, the Labor Arbiter found that the written statement earlier signed by Ms. Perez was more credible.^[15] Hence, he granted Villapando's prayer for full back wages and separation pay and further ordered the payment of attorney's fees in the dispositive portion of his Decision which provides:

WHEREFORE, judgment is hereby rendered ordering the respondent to pay complainant her full backwages to until the finality of this decision which partially computed as of this date in the amount of P678,291.92 and to pay her separation pay equivalent to one month salary per year of service in the amount of P336,000.00.

Respondent is likewise ordered to pay 10% of the total monetary award as attorney's fees in the amount of P101,429.19.

All other claims are hereby dismissed.

SO ORDERED.^[16]

On July 30, 2004, however, the NLRC disagreed with the Labor Arbiter in its Decision holding that the matter of resignation is a non-issue as the termination of Villapando's employment was affected for reasons other than her resignation.^[17] According to the NLRC, the two essential elements of a lawful termination of employment, namely: (1) that the employee be afforded due process, *i.e.*, he must be given an opportunity to be heard and to defend himself; and (2) that the