

THIRD DIVISION

[G.R. No. 181852, October 09, 2013]

ERIC V. CHUANICO, PETITIONER, VS. LEGACY CONSOLIDATED PLANS, INC., RESPONDENT.

DECISION

ABAD, J.:

This case is about the perceived incompetence and sloth of an in-house counsel as ground for his dismissal from work.

The Facts and the Case

On January 3, 2002 Legacy Plans Philippines, Inc. (Legacy Plans) hired petitioner Eric V. Chuanico (Atty. Chuanico) as Assistant Vice- President for legal services. He was to serve as in-house counsel for the company and its subsidiaries under the supervision of Atty. Christine A. Cruz (Atty. Cruz), the Senior Vice-President for Legal Affairs.^[1] In the same year, Legacy Plans merged with Consolidated Plans Philippines, Inc. to become Legacy Consolidated Plans, Inc. (Legacy Consolidated), the respondent in this case. Its legal services unit served all its affiliates.

On October 17, 2002 Atty. Cruz wrote Atty. Chuanico a memorandum, requiring him to explain why no administrative action should be taken against him for mishandling two cases.^[2] In the first case he was supposed to draft an answer to a complaint for Bank of East Asia (a Legacy Consolidated affiliate) but he belatedly drafted a haphazard one that he gave to the handling lawyers without coursing it to his superior.^[3] In his defense, Atty. Chuanico said that he was given only one day within which to finish the draft. While admitting that his superior had no opportunity to review it for lack of time, he denied that the answer had been haphazardly done.^[4]

In the second case, Atty. Chuanico was required to prepare a complaint-affidavit for the Rural Bank of Parañaque (also a Legacy Consolidated affiliate) against a certain De Rama but he failed to do so.^[5] Atty. Chuanico replied that the case had not actually been turned over to him. It was originally assigned to Atty. Dennis Amparo who later said that the complaint-affidavit could not be prepared because the Rural Bank had no witness.^[6]

On December 5, 2002 Legacy Consolidated dismissed Atty. Chuanico with effect on December 20, 2002 for serious misconduct, willful disobedience to lawful orders, gross and habitual neglect of duties, and willful breach of trust.^[7] This prompted him to file a complaint for illegal dismissal with claims for his unpaid December 2002 salary and 13th-month pay plus moral and exemplary damages and attorney's fees.^[8]

On August 31, 2004 the Labor Arbiter (LA) rendered a decision finding Legacy Consolidated guilty of illegal dismissal and awarded Atty. Chuanico with full backwages from December 20, 2002 and separation pay in lieu of reinstatement computed at one month pay for every year of service inclusive of the period when the case was pending. The LA also found that Legacy Consolidated did not dispute the unpaid salary and 13th-month pay. In all, the money judgment against Legacy Consolidated amounted to P1,532,300.00.^[9]

The LA found that Atty. Chuanico actually drafted an answer for Bank of East Asia but the company's two new lawyers did not like it and chose to file one that they themselves prepared. But since Legacy Consolidated neither bothered to present Atty. Chuanico's draft answer nor explained why it regarded the same as haphazardly done, it failed to prove its case. It also did not present evidence that the bank filed a late answer on account of Atty. Chuanico's fault.^[10]

As to the second charge, the LA gave credence to Atty. Dennis Amparo's sworn statement that it was to Atty. Cruz, not to Atty. Chuanico, that he personally turned over the cases he was handling. In one of these, the case for the Rural Bank, he had been unable to prepare a complaint affidavit against De Rama for failure of the bank to find a willing witness against her.^[11]

On appeal, the National Labor Relations Commission (NLRC) rendered a Resolution^[12] dated December 29, 2005 affirming the LA's Decision. The NLRC held that Legacy Consolidated failed to present evidence to prove that Atty. Chuanico violated some company rules or his superior's order. His employer gave him no notice of these alleged violations that were supposedly willful.^[13] The NLRC denied Legacy Consolidated's motion for reconsideration, prompting it to file a petition for *certiorari* with the Court of Appeals (CA) for grave abuse of discretion.

On September 26, 2007 the CA^[14] held that the NLRC committed grave abuse of discretion in holding Legacy Consolidated guilty of illegal dismissal of Atty. Chuanico. It affirmed, however, the award to him of P46,100.00 as 13th-month pay for 2002, it appearing that he did not receive it.^[15] Atty. Chuanico moved for reconsideration but the CA denied his motion on February 26, 2008, hence this petition.

The Issue Presented

The only issue presented in this case is whether or not the CA erred in holding that the NLRC committed grave abuse of discretion in finding that Legacy Consolidated illegally dismissed Atty. Chuanico for mishandling the two cases alleged to have been assigned to him.

The Ruling of the Court

The CA found reasonable basis for believing that Atty. Chuanico had breached his employer's trust. He was not a mere rank-and-file employee but an in-house counsel. Thus, Legacy Consolidated enjoyed wide latitude in evaluating his work and attitude and in terminating his employment on the ground of loss of trust and confidence. His mishandling of the cases assigned to him shows that he had been