

SECOND DIVISION

[G.R. No. 164860, February 02, 2010]

**HILTON HEAVY EQUIPMENT CORPORATION AND PETER LIM,
PETITIONERS, VS. ANANIAS P. DY, RESPONDENT.**

DECISION

CARPIO, J.:

The Case

This is a petition for review^[1] assailing the Decision^[2] promulgated on 30 May 2003 of the Court of Appeals (appellate court) in CA-G.R. SP No. 72454 as well as the Resolution^[3] promulgated on 6 August 2004. The appellate court partly granted the petition filed by respondent Ananias P. Dy (Dy) and ruled that Dy was dismissed for just cause but was not entitled to reinstatement and separation pay. The appellate court ordered Hilton Heavy Equipment Corporation and its President, Peter Lim, (petitioners) to pay Dy backwages from the time of Dy's termination on 19 May 2000 up to the time of the finality of the decision less the amount of P120,000 which Dy received as separation pay.

The Facts

The appellate court narrated the facts as follows:

Ananias Dy (hereafter, "DY") was employed at Hilton Heavy Equipment Corporation (hereafter, the "CORPORATION"). In the course of his employment, he was assigned as the personal bodyguard of Peter Lim (hereafter, "LIM"), the President of the said Corporation. On 19 April 2000, in the presence of the Corporation's employees and Lim, Dy mauled Duke Echiverri, a co-employee, within the premises of the principal office of the Corporation. Dy defied orders of Lim to stop mauling Duke Echiverri. Dy also threatened to kill the latter, and uttered that if he will be given monetary consideration, he will cease working in the company. Geraldine Chan, Secretary of the Corporation, executed an affidavit attesting to the fact of Dy's utterance of his intention to resign from his job. Thereafter, Dy stopped reporting to work. Subsequently, Duke Echiverri filed criminal complaints against Dy for grave threats and less serious physical injuries and the corresponding Informations were filed before the Municipal Trial Court in Cities, Mandaue City. These cases were later dismissed upon motion filed by Duke Echiverri. A month after the mauling incident, on 19 May 2000, Lim requested Dy to come to the office where he was confronted by Lim and Wellington Lim, Lim's brother. Thereat, Dy was paid by Wellington Lim the amount of P120,000.00 as

may be shown by Solidbank Mandaue Branch Check No. CD 0590750 dated 19 May 2000 payable to cash, as separation pay.^[4]

On 19 June 2000, Dy filed a complaint before the National Labor Relations Commission (NLRC) Regional Arbitration Branch VII in Cebu City against petitioners for illegal dismissal and non-payment of labor standard benefits with claim for damages and attorney's fees. The case was docketed as NLRC RAB-VIII Case No. 06-1003-2000.

The Labor Arbiter's Ruling

In his Decision dated 25 August 2000, Labor Arbiter Ernesto F. Carreon (Arbiter Carreon) dismissed Dy's complaint for illegal dismissal because Dy stopped working when he was given separation pay of P120,000. Arbiter Carreon explained thus:

Complainant Dy was not terminated from the service. The record reveals that complainant Dy mauled one Duke Echiverri even in the presence of respondent Lim who was his superior. Complainant Dy apparently possesses violent character that even with the pacification made by his superior he continued on delivering fistic blows to his victim and even threatened him with death. At present complainant Dy is facing criminal charges in the Municipal Trial Court of Mandaue City for his criminal acts. Complainant Dy could have been validly dismissed for the said mauling incident because fighting in the company premises and disorderly or violent behavior are just causes for termination of employment. But complainant Dy instead opted to stop working when given separation benefits in the amount of P120,000.00. In a nutshell we find that in case of complainant Dy there is no dismissal let alone illegal dismissal to speak of.^[5]

The Fourth Division of the NLRC affirmed the ruling of Arbiter Carreon. In its Decision^[6] promulgated on 6 July 2001, the NLRC stated that:

Thus as correctly found by the Labor Arbiter, the mauling incident by itself was a valid ground to terminate complainant's services considering that the victim was a manager and therefore a duly authorized representative of respondents. It does not matter later on that the case was settled by the execution of an affidavit of desistance because "conviction of an employee in a criminal case is not indispensable to warrant his dismissal by his employer and that the fact that a criminal complaint against the employee has been dropped by the City Fiscal is not binding and conclusive upon a labor tribunal." (Starlite Plastic Industrial Corp. vs. NLRC, 171 SCRA 315)

Moreover, records reveal that after the mauling incident which occurred on a Holy Wednesday, complainant did not report to the office anymore. But because he earlier intimated that he was willing to accept a separation pay, he was called to the office last May 19, 2000 and was

given a check in the amount of One Hundred Twenty Thousand (P120,000.00) Pesos. This was testified to by Geraldine Chan, Secretary of respondent Hilton Heavy Equipment Corporation who executed a sworn statement to that effect (pp. 39-40, Records). A copy of Solid Bank Check No. CD 059750 dated 19 May 2000 in the amount of One Hundred Twenty Thousand (P120,000.00) somehow validated her statement (p. 41, Records). Under these circumstances, We find that the Labor Arbiter did not err in ruling that there was no illegal dismissal.^[7]

In its Resolution promulgated on 20 June 2002, the NLRC further stated:

Resignation is the voluntary act of an employee who finds himself in a situation where he believes that personal reason cannot be sacrificed in favor of the exigency of the service, then he has no other choice but to dissociate himself from his employment. Resignation may be express or implied. By Dy's acceptance of the amount of P120,000.00 on 19 May 2000, he is deemed to have opted to terminate voluntarily his services with the respondent company.

Thus, complainant Ananias Dy was not illegally dismissed.^[8]

Dy assailed the NLRC's decision and resolution before the appellate court. Dy imputed grave abuse of discretion amounting to lack or excess of jurisdiction upon the NLRC for the following reasons:

1. There is not a single substantial evidence to prove that petitioner [Dy] had actually resigned from his employment with private respondents;
2. There is likewise not a single evidence to prove that petitioner [Dy] had actually received the so-called separation pay of P120,000.00;
3. As there is no substantial evidence to show petitioner [Dy] had resigned from employment, public respondents therefore gravely abused their discretion in finding the contrary. Truth is, petitioner [Dy] was actually illegally dismissed from employment as petitioner's rights to substantive and procedural due process were grossly violated.^[9]

The Decision of the Appellate Court

The appellate court ruled that Dy did not voluntarily resign from his employment, but there was a valid cause for Dy's termination from employment. Petitioners, however, failed to observe due process in terminating Dy's services. The appellate court decided that Dy was dismissed for just cause but was not entitled to reinstatement. The appellate court awarded Dy full backwages, computed from the time he was terminated until finality of the present Decision, but did not award separation pay. The amount of P120,000 given to Dy as supposed separation pay

should be treated as partial payment of Dy's backwages. The appellate court subsequently denied the motion for reconsideration filed by petitioners in a Resolution promulgated on 6 August 2004.^[10]

The Issues

Petitioners raise the following issues in their petition:

1. The Honorable Court of Appeals committed a reversible error in finding that [Dy] did not resign from his employment.
2. The Honorable Court of Appeals committed a reversible error in ordering the petitioners to pay [Dy] his backwages from the time of his termination on May 19, 2000 up to the time that its Decision becomes final.^[11]

The Ruling of the Court

The petition has partial merit. Although petitioners failed to show that the appellate court arbitrarily made factual findings and disregarded the evidence on record, the amount of P120,000 paid by petitioners to Dy constitutes a sufficient award of nominal damages.

The pertinent Articles of the Labor Code read as follows:

Art. 282. *Termination by Employer.* -- An employer may terminate an employment for any of the following causes:

(a) Serious misconduct or willful disobedience by the employee of the lawful orders of his employer or representative in connection with his work;

(b) Gross and habitual neglect by the employee of his duties;

(c) Fraud or willful breach by the employee of the trust reposed in him by his employer or duly authorized representative;

(d) Commission of a crime or offense by the employee against the person of his employer or any immediate member of his family or his duly authorized representative; and

(e) Other causes analogous to the foregoing.

Art. 285. *Termination by Employee.* -- (a) An employee may terminate without just cause the employee-employer relationship by serving a written notice on the employer at least one (1) month in advance. The employer upon whom no such notice was served may hold the employee liable for damages.