

THIRD DIVISION

[G.R. No. 165951, March 30, 2010]

SOLIDBANK CORPORATION, PETITIONER, VS. NATIONAL LABOR RELATIONS COMMISSION; RODOLFO N. BOMBITA, DANILO J. MEDRANO, DONALD F. MAGLEO, RONALD M. PASIMIO, JOSE R. PACHECO, ALFREDO TAN, JUSTICE Z. DEMERRE, SOFIA G. YAP, NICHOLAS DEL ROSARIO, RAMON R. ABASTA, LUIS S. MASTRILL, REYNALDO E. ALLADO, DANILO NERY, GRACIANO M. DEL ROSARIO, GEALDINO M. PARAM, LUCINA D. DE CASTRO, GLORIA MARAYAG, ROLANDO A. ARIÑO, BEDELL F. FERRANCULO, MA. BELLA A. PERALTA, DIONILO M. MARFIL, TERESITA E. ANGELES, ZENAIDA Q. CAÑETE, CHERRY KRISTIN C. BAUTISTA, CECILIA S. ABELLA, MARIE ABIGAIL TONGSON, MADEMIOSETTE PRINSIPE, RICARDO APOLINAR, BENJAMIN O. CASTAÑEDA, JR., LUIS DEL MORAL, JR., JOSE G. RICAFORTE, JR., PATRICIA LEE, ENRIQUE T. CASTELLVI, RENATO P. MALLARI, ESTRELLA LOPEZ, MOISES ANGELES, ROLANDO CUNDANGAN, CONRADO GALANG, CLARO I. NEPOMUCENO, FLORESITA GOCE, ALBERTO CABALLERO, LEONARDO SANGA, WINIFREDO MARTINEZ, MA. VICTORIA LABORTE, ROBERTO F. MADRID, EVELYN S. SERVIETO, MILAGROS MUJER, GIL CABAÑAS, LILIA CUAN, NORMA V. GO, IRMA M. MANAOIS, WILFREDO B. REYES, TESSIE MATEO, RESURECCION SANTOS, BIENVENIDO M. SILANGIL, GODOFREDO F. DE LEON, NORMAN R. REYES, ALFONSO S. MORALES, JR., MERCEDITA I. MAGSUMBOL, ROSARIO G. UMALI, VICENTA LOPEZ, PRISCILLA F. CRUZ, MA. CARMEN A. YAZON, MARIE EMILLE C. DELA CRUZ, DOROTEA YAP, RUCIA T. PO, ROMEO C. ROSARIO, RUBEN A. FELEBRICO, RUBY ROSA M. CARZA, ROBERTO S. DE GUZMAN, LEONORA T. COMIA, RAMON L. YU, ERLINDA T. CALUMAG, JANE CUA, FILINO G. MARQUEZ, JAIME C. CHAM, FELOMINO V. LEGARDA, JUANITO B. ARCEO, MANUEL B. MANZANO, ROBERTO T. TUALE, SAMUEL Z. ARCILLA, CLEMENTE N. AGCAMARAN, BENJAMINA D. MONCADA, ILDEFENSO F. TAGAYON, CARMELO INAMAC, MARICEL D. SALIRE, RICARDO M. BONDOC, ROLANDO M. HALLIG, ROMEO C. BONDOC, HENRY F. LEE LEONG, FRANCISCA S. ZABALA, RENE G. ALBANA, EDUARDO T. JUAN, MERLIN L. VILLASIS, EDWIN O. CACHO, NICOLAS S. DIAZ, EDUARDO M. LIMBAGA, JESUS P. TREYES, MAXIMO S. MUÑOZ, JR., MAYNARDO B. DYTUCO, AIDA J. PALAFOX, EVANGELINE S. YANZON, DARIO V. ABOGA, MODESTO V. BALTAZAR, ROBERTO L. MAPA, ISAURO A. ARELLANO, MAXIMO D. SUNER, NOMER A. VIDAL, EDUARDO V. ILAGAN, ROMEO D. MENDOZA, FLORO A. BUSTO, FREDDIE L. UYACO, JOE M. LICAYU, YODEL C. MORALES, ALEXANDER V. CABALLERO, HERMIN A. DOLORITO, EDWARD C. YOUNG, MA. TERESA R. LEGASPI, ELMER F. CIERVA, ROMEO MERCADO, HUMBERTO S. RANCO,

CONCEPCION S. YADAO, CARLO C. DELA RIASTE, EDWIN R. ERMITA, RAYMUND NIETES, JENNIFER T. ABESAMIS, ARNULFO ALVARES, LUISITO J. ESTEBAN, CONCHITINA C. MESINA, PING CHAN C. YAO, LARIZA V. LLANES, LEONARDO S. AVELINO, JR., JAIME T. ESMERALDA, EDUARDO S. BUENVENTURA, JOSEFINA M. NIEVES, ERMENILDA P. IGNACIO, MA. VICTORIA G. CAPULONG, TERESA C. ANDRES, EVELYN C. DEL ROSARIO, AND CONSOLACION AUREA M. SAURA, RESPONDENTS.

D E C I S I O N

PERALTA, J.:

Before this Court is a Petition for Review on *certiorari*,^[1] under Rule 45 of the Rules of Court, seeking to set aside the May 28, 2004 Decision^[2] and October 28, 2004 Resolution^[3] of the Court of Appeals (CA), in CA-G.R. SP No. 76879. The CA awarded financial assistance to respondents Rodolfo Bombita *et al.* out of "compassionate justice" despite the fact that petitioner Solidbank Corporation had already paid the respondents their separation pay in accordance with Article 283 of the Labor Code.

The facts of the case are as follows:

Sometime in May 2000, petitioner decided to cease its commercial banking operations and forthwith surrendered to the *Bangko Central ng Pilipinas* its expanded banking license. As a result of petitioner's decision to cease its operations, 1,867 of its employees would be terminated.

On July 25, 2000, petitioner sent individual letters to its employees, including respondents, advising them of its decision to cease operations and informing them that their employment would be terminated. The pertinent portions of said letter are hereunder reproduced, to wit:

With the cessation of the banking operations of Solidbank Corporation and the surrender of its banking license to the Bangko Sentral ng Pilipinas (BSP), the employment of all Solidbankers will have to be terminated.

We regret that your services as an employee of Solidbank are hereby terminated, effective the close of business hours on 31 August 2000. Your separation package will be in accordance with the implementing guidelines issued to all officers and staff in President/CEO D.N. Vistan's Memorandum of 14 July 2000. You will receive your separation pay only upon release of your clearance, but not later than the effectivity date of your termination from the Bank.

We wish you success in your future endeavors.^[4]

On July 31, 2000, petitioner sent to the Department of Labor and Employment a letter^[5] dated July 28, 2000, informing said office of the termination of its

employees, the pertinent portions of which read:

In compliance with the provisions of Article 283 of the Labor Code, we would like to inform the Department of Labor and Employment that Solidbank Corporation will cease operations and surrender its banking license to the Bangko Sentral ng Pilipinas effective 31 August 2000.

Due to the cessation of the Bank's operations, the employment of all officers and staff of Solidbank will be terminated effective the close of business hours on 31 August 2000. As a result, the Bank will implement a separation program in accordance with the attached guidelines. **The separation package offered to Solidbankers is more than what is required by law.**^[6]

Petitioner granted to its employees separation pay equivalent to 150% of gross monthly pay per year of service, and cash equivalent of earned and accrued vacation and sick leaves as a result of their dismissal. Upon receipt of their separation pay, the employees of petitioner, including respondents, individually signed a "Release, Waiver, and Quitclaim."^[7]

On September 27, 2000, respondents filed with the Labor Arbiter (LA) complaints for illegal dismissal, underpayment of separation pay, plus damages and attorney's fees, and these were docketed as NLRC NCR Case Nos. 30-09-03843-00, 30-1004350-00, 30-10-03928-00, 30-10-04200-00, and 30-10-04036-00.

On July 22, 2002, the LA rendered a Decision^[8] ruling that respondents were validly terminated from employment as a result of petitioner's decision to cease its banking operations. The LA, however, inspired by compassionate justice, awarded financial assistance of one month's salary to respondents. The dispositive portion of the Decision reads:

WHEREFORE, the Complaints for illegal dismissal filed by the complainants under the above-stated case numbers are hereby dismissed for lack of merit. **However, inspired by compassionate justice, this Office hereby orders the respondent Solidbank Corporation to provide each complainant a financial assistance of one month's salary.**

Metrobank's motion to dismiss the claim against it for want of jurisdiction is DENIED for lack of merit.

Complainants' motion to admit annexes dated March 12, 2001, together with their motions to amend affidavits/complaints dated January 22, 2001 are hereby GRANTED for being meritorious.

Solidbank's counterclaim is dismissed for lack of merit.

SO ORDERED.^[9]

Both parties appealed the LA's Decision to the National Labor Relations Commission (NLRC).

On October 29, 2002, the NLRC rendered a Decision^[10] affirming the findings of the LA that respondents were validly terminated. The NLRC ruled that the closure of a business is an authorized cause sanctioned under Article 283 of the Labor Code and one that is ultimately a management prerogative. The NLRC, however, modified the LA's Decision by increasing the amount of financial assistance to two month's salary out of compassionate justice. The dispositive portion of the Decision reads:

WHEREFORE, premises considered, the Decision appealed from is affirmed with modification as to the award of the financial assistance.

SO ORDERED.^[11]

Aggrieved by the NLRC Decision, petitioner then appealed to the CA, specifically questioning the grant of financial assistance to respondents.

On May 28, 2004, the CA rendered a Decision reversing the Decision of the NLRC. The CA shared the view of the LA that respondents should only be awarded one month's salary as financial assistance and not two month's salary as previously decreed by the NLRC. The dispositive portion of the Decision reads:

WHEREFORE, premises considered, the assailed Decision is hereby REVERSED, and the 22 July 2002 Decision of the Labor Arbiter is hereby REINSTATED.

SO ORDERED.^[12]

Petitioner then filed a motion for reconsideration, which was, however, denied by the CA in a Resolution dated October 28, 2004.

Hence, herein petition, with petitioner raising the following assignment of errors, to wit:

THERE IS NO LEGAL BASIS FOR THE COURT OF APPEALS' AWARD OF FINANCIAL ASSISTANCE EQUIVALENT TO ONE-MONTH'S SALARY TO THE RESPONDENTS AFTER ITS FINDING THAT SOLIDBANK HAS MORE THAN COMPLIED WITH THE MANDATE OF THE LAW ON PAYMENT OF SEPARATION PAY.^[13]

THE AWARD OF FINANCIAL ASSISTANCE CANNOT BE JUSTIFIED ON THE BASIS OF "COMPASSIONATE JUSTICE" AND AS A FORM OF "EQUITABLE RELIEF."^[14]

TO SUSTAIN THE COURT OF APPEALS' AWARD OF FINANCIAL

ASSISTANCE TO THE 140 VALIDLY-DISMISSED RESPONDENTS WOULD RESULT IN A HIGHLY ANOMALOUS SITUATION WHERE THE SAID RESPONDENTS WOULD BE ACCORDED BETTER BENEFITS THAN OTHER FORMER SOLIDBANK EMPLOYEES WHO WERE SIMILARLY SITUATED.^[15]

The petition is meritorious. The errors being interrelated, this Court shall discuss the same *seriatim*.

Before anything else, this Court shall first address the allegations raised by respondents in their Comment,^[16] which deal with the issue of the validity of their termination. Respondents, in the main, claim that their termination was unlawful as petitioner did not really cease its operations.^[17] Thus, notwithstanding their admission that the LA, the NLRC, and the CA all ruled in unison that their termination was in accordance with law, respondents seek this Court's discretion to reverse such findings.

On this note, it is well settled that this Court is not a trier of facts. To begin with, the question of whether respondents were dismissed for authorized cause is a question of fact which is beyond the province of a petition for review on *certiorari*. It is fundamental that the scope of the Supreme Court's judicial review under Rule 45 of the Rules of Court is confined only to errors of law. It does not extend to questions of fact; more so, in labor cases where the doctrine applies with greater force.^[18]

The LA and the NLRC have already determined the factual issues, and these were affirmed by the CA. Thus, they are accorded not only great respect but also finality, and are deemed binding upon this Court so long as they are supported by substantial evidence. A heavy burden rests upon respondents to convince the Court that it should take exception from such a settled rule.^[19]

Moreover, what is damning to the cause of the respondents is the fact that the issue of the validity of their dismissal is now already final. As correctly manifested by petitioner, respondents had earlier filed with this Court a petition for review^[20] dated December 28, 2004, docketed as G.R. No. 165985, entitled *Rodolfo Bombita, et al. v. Solidbank Corporation, et al.*, which questioned the validity of their termination. A perusal of said petition shows that the issues raised therein are the very same issues respondents now raise in their Comment. On February 21, 2005, this Court's Second Division issued a Resolution^[21] denying respondents' petition for review. On September 20, 2005, an Entry of Judgment^[22] was rendered. Based on the foregoing, the validity of the termination of respondents is an issue that this Court must no longer look into as a necessary consequence of the denial of their petition for review before this Court.

Now, going to the issues raised by petitioner, this Court finds the same to be impressed with merit.

Article 283 of the Labor Code provides: