

## SECOND DIVISION

[ G.R. NO. 166507, September 27, 2006 ]

**AMKOR TECHNOLOGY PHILIPPINES, INC., ANTHONY MICHAEL PETRUCCI AND ROSEMARIE S. KATALBAS, PETITIONERS, VS. NORY A. JUANGCO, RESPONDENT.**

### D E C I S I O N

**SANDOVAL-GUTIERREZ, J.:**

Before us is a petition for review on certiorari under Rule 45 of the 1997 Rules of Civil Procedure, as amended, assailing the Decision <sup>[1]</sup> dated October 20, 2004 and Resolution <sup>[2]</sup> dated December 20, 2004 rendered by the Court of Appeals in CA-G.R. SP No. 76121, entitled "Nory A. Juangco, *petitioner*, v. National Labor Relations Commission, Amkor Technology Philippines, Inc., Mike Petrucci, Danny D. Franklin And Rosemarie S. Katalbas, *respondents*."

The instant controversy stemmed from a complaint for illegal dismissal, damages and attorney's fees filed with the Labor Arbiter by Nory A. Juangco, *respondent*, against Amkor Technology Philippines, Inc., Anthony Michael Petrucci, Danny D. Franklin and Rosemarie S. Katalbas, *petitioners*, docketed as NLRC NCR Case No. 30-04-02141-02.

Respondent, in her complaint, alleged that sometime in September 1990, she was employed as production control senior supervisor by Amkor Technology Philippines, Inc., petitioner company. Eventually, she became a production control executive director with a monthly salary of P220,000.00. During her employment, she received several merit increases and bonuses from petitioner company in recognition of her exemplary performance. Sometime in October 2001, Tony Ng, respondent's immediate superior, resigned and was replaced by Anthony Michael Petrucci, petitioner, as president. The new management implemented several drastic changes in the existing corporate policies and the composition of the corporate management team. During an emergency meeting on November 15, 2001, petitioners informed her of a staff reorganization and she realized her services were being terminated effective immediately. Petitioners directed her to sign a document setting forth the conditions of her alleged voluntary retirement, such as: (1) payment, on a staggered basis, of separation benefits at the rate of 1<sup>1/4</sup> months basic salary per year of service and additional two months basic salary in lieu of the one-month notice requirement; and (2) forfeiture of such separation benefits in case of violation of company rules and regulations on confidentiality and disruption of operations. Thereafter, she was ordered to leave the company. On November 21, 2001, after having been paid her separation benefits, she was forced to sign a "Release and Quitclaim."

Petitioners denied respondent's allegations in her complaint. They claimed that as a result of the economic slowdown then experienced in this country, they

contemplated to implement cost-cutting measures. Several meetings were conducted by petitioners to discuss the company retrenchment program. Respondent voluntarily submitted herself for retrenchment and then tendered her resignation letter. Respondent, having rendered eleven (11) years of service, was paid by petitioners P3,704,517.98 representing her separation benefits at the rate of 1<sup>1/4</sup> months basic salary per year of service. Additionally, she received her two months salary, leave credits, 13<sup>th</sup> month pay, and coop receivable. And after having been paid her separation benefits, she executed and signed, on November 22, 2001, a Release and Quitclaim.

After the submission of the parties' pleadings and position papers, the Labor Arbiter rendered a Decision dated July 31, 2002 holding that respondent was illegally dismissed from employment and ordering petitioners (1) to reinstate her to her former position as executive director without loss of seniority rights and other privileges; and (2) to pay her, jointly and severally, full backwages and other benefits, damages and attorney's fee equivalent to 10% of the monetary awards, thus:

WHEREFORE, premises considered, judgment is hereby rendered declaring the termination of complainant NORRY A. JUANGCO illegal.

Accordingly, respondents AMKOR TECHNOLOGY PHILS., INC., MIKE PETRUCCI, DANNY D. FRANKLIN and ROSEMARIE S. KATALBAS are ordered to jointly and solidarily reinstate complainant NORRY A. JUANGCO to her former executive position (Executive Director) without loss of earned seniority rights and other benefits and privileges with full backwages from date of dismissal up to actual date of reinstatement in the total amount as of this date P2,025,833.33 computed as follows:

Basic Salary:

11/15/01 - 7/31/02

P220,000.00/mo. x 8.50 mos. = P1,870,000.00

13<sup>th</sup> month pay:

P1,870,000.00/12 = P 155,833.33

Total = P2,025,833.33

Respondents are further ordered to jointly and solidarily pay complainant her performance bonuses and other benefits she used to receive similarly granted to her co-executive officers.

Respondents are furthermore ordered to pay complainant moral damages in the amount of *Five Million Pesos (P5,000,000.00)* and exemplary damages in the amount of *Three Million Pesos (P3,000,000.00)*, as well as attorney's fees equivalent to ten percent (10%) of the entire award. The amount already received by complainant shall be considered as partial/advance payment of the judgment award in the final enforcement of the decision.

SO ORDERED.

On appeal, the National Labor Relations Commission (NLRC) promulgated its Decision dated October 1, 2002 reversing the Labor Arbiter's Decision and dismissing respondent's complaint.

Respondent then filed a motion for reconsideration, but was denied by the NLRC in a Resolution dated December 26, 2002. Hence, she filed with the Court of Appeals a petition for certiorari with prayer for issuance of a temporary restraining order and a writ of preliminary injunction.

On October 20, 2004, the appellate court rendered a Decision setting aside the NLRC Decision and reinstating that of the Labor Arbiter, but with modification in the sense that in lieu of reinstatement, respondent was awarded separation pay and a reduced moral and exemplary damages of P500,000.00 and P250,000.00, respectively.

In disposing of the case, the Court of Appeals held:

The petition is impressed with merit.

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Notably, the notice of voluntary retirement and the "Receipt, Release, Waiver and Quitclaim" partake the nature of a contract of adhesion, such that the petitioner had no hand in the preparation of these documents. Since a contract of adhesion is unilaterally prepared by only one party, and the only thing left to be done by the other party is to affix his/her signature, any ambiguity in its provisions or any question as to the voluntariness of its execution should be generally resolved against the party who drafted the document (*Magellan Capital Management Corporation vs. Zosa*, 355 SCRA 157 [2001]).

Since petitioner claims that she was merely coerced into signing the subject documents, the voluntariness of the execution thereof is squarely at issue and petitioner's claim was correctly given due course by the labor arbiter (*JMM Promotions and Management, Inc. vs. Court of Appeals*, 390 SCRA 223 [2002]). Notably, the labor arbiter did not only find that private respondents failed to prove the voluntariness of the execution of said documents, but it also found that private respondents' copy of the "Receipt and Release, Waiver and Quitclaim" contained insertions which were not found in petitioner's copy.

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Despite the foregoing considerations, public respondent NLRC reversed the labor arbiter's finding of illegal dismissal and relied heavily on the affidavits of "ATP Staff members" stating that petitioner volunteered herself to be included in the retirement program and therefore was not coerced to sign the notice of voluntary retirement and the quitclaim.