

## THIRD DIVISION

[ G.R. No. 141430, May 07, 2004 ]

**PHILIPPINE JOURNALISTS, INC., petitioner, vs. MICHAEL MOSQUEDA, respondent.**

### DECISION

**SANDOVAL-GUTIERREZ, J.:**

For resolution 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 August 23, 1999 and the Resolution<sup>[2]</sup> dated December 15, 1999 rendered by the Court of Appeals in CA-G.R. SP No. 50485, entitled "*Journal Employees Union and Michael Mosqueda vs. National Labor Relations Commission and Philippine Journalist, Inc.*"

The undisputed facts of this case are as follows:

After the 1986 EDSA revolution, Philippine Journalists, Inc. (PJI), petitioner, was sequestered by the Presidential Commission on Good Government (PCGG).<sup>[3]</sup> By virtue of the writs of sequestration issued by the Sandiganbayan, PJI was placed under the management of PCGG, through its nominees to the Board of Directors.

However, Rosario Olivares, who owns 20% or 1,000 common shares, attempted to regain control of the PJI management. During the stockholders' meeting on February 4, 1992, Olivares insisted on acting as presiding officer over the vehement objections of the PCGG representatives. As a consequence, the Olivares group and the PCGG group held separate stockholders' meetings, where each group elected its own members to the Board of Directors.

During that stockholders' meeting, the Olivares group passed Resolution No. 92-2 designating Michael Mosqueda, respondent, as Chairman of a Task Force, along with five (5) other members, to protect the properties, funds and assets of PJI and enforce or implement directives, instructions and orders of the Olivares group. Respondent was also tasked to post copies of the Resolution<sup>[4]</sup> dated February 3, 1992 of the Sandiganbayan, "Notice to all PJI employees" of its elected board members and officers, and the Secretary's Certificate issued by Andrea de la Cueva.

On February 5, 1992, Abraham J. Buenaluz, Officer-in-charge of PJI's Administrative Services Division, issued a memorandum to respondent and the other members of the Task Force charging them with "serious misconduct prejudicial to the interest of the company and/or present management; willful breach of trust and confidence; conflict of interest; and disloyalty under the PJI Personnel Handbook" and directing them to submit their written explanation within 24 hours from notice.

Respondent submitted his explanation the next day, while the other members of the Task Force submitted their joint explanation on February 7, 1992.

Meanwhile, in a Memorandum dated February 8, 1992, petitioner's new management placed respondent and other members of the Task Force under preventive suspension pending the investigation of the formal charges against them.

On February 18, 1992, petitioner's new management served upon respondent and the other members of the Task Force the notices of the formal investigation set on February 27 and 28, 1992.

However, prior to the investigation, the Journal Employees Union (Union), for and in behalf of respondent and other members, filed with the Labor Arbiter a complaint for illegal suspension, unfair labor practice, and damages against petitioner.

Subsequently, petitioner conducted clarificatory hearings, but respondent and the other employees concerned failed to appear despite notice. Nonetheless, petitioner's investigating panel<sup>[5]</sup> gave the employees an opportunity to present their evidence on March 4, 1992, but still they failed to do so.

Upon recommendation of Officer-in-charge Buenaluz, petitioner terminated the services of respondent and the other members of the Task Force on March 10, 1992.

This prompted the union to file, on March 25, 1992, with the Labor Arbiter an amended complaint for illegal dismissal, unfair labor practices and damages.

On June 10, 1993, the Labor Arbiter rendered a Decision holding that respondent and the other five employees were illegally dismissed from employment and ordering petitioner (1) to reinstate them to their former positions and (2) to pay their backwages and moral and exemplary damages amounting to P2,708,479.76; and attorney's fees equivalent to 10% of the monetary awards, thus:

"This Office after careful review and evaluation of the pleadings and documents the parties submitted, finds for the complainants.

Records of the case will show that the only reason for the dismissal of the complainants was following the instructions of the 'crony group'. Even the pleadings and evidence submitted by respondents will bear this out. It is now for this Office to find out what kind of instruction is this. Is it against the interest of PJI, their employer?

x x x

A perusal of these instructions will reveal that the Task Force is only supposed to safeguard the assets of the corporation. There is nothing wrong with these instructions because even the PCGG is duty bound to safeguard the assets of the corporation (PJI). The only thing wrong with these instructions is that they were given out by the 'crony group.'

To punish the complainants with dismissal for following instructions to safeguard the assets of the corporation (PJI) just because it was given by the said group is the perfect example of illegal dismissal.

x x x

Complainants were victims of power play in the corporation.

x x x

WHEREFORE, premises above-considered, judgment is hereby rendered ordering respondents to:

- 1) Reinstate complainants to their former positions without loss of seniority rights and other benefits/privileges;
- 2) Pay backwages to complainants, as follows:

Mosqueda:

Backwages from February 1992 up to actual reinstatement which if computed as of May 31, 1993 amounts to (P 6,068.67 x 16 months)  
----- P 97,088.00

Desunia:

Backwages from February 1992 up to actual reinstatement which if computed as of May 31, 1993 amounts to (P 6,083.61 x 16 months)  
----- P 97,347.76

Santos:

Backwages from February 1992 up to actual reinstatement which if computed as of May 31, 1993 amounts to (P 5,994.25 x 16 months)  
----- P 95,908.00

Masola:

Backwages from February 1992 up to actual reinstatement which if computed as of May 31, 1993 amounts to ( P 6,517.00 x 16 months)  
----- P 104,272.00

Rivera:

Backwages from February 1992 up to actual reinstatement which if computed as of May 31, 1993 amounts to (P 7,069.25 x 16 months)  
----- P 113,108.00

Dalmacion:

Backwages from February 1992 up to actual reinstatement which if computed as of May 31, 1993 amounts to (P 6,297.25 x 16 months)  
----- P 100,758.00

- 3) Pay complainants three hundred thousand (P 300,000.00) Pesos, each as moral damages and fifty thousand (P 50,000.00) pesos, each as exemplary damages; and