

FIRST DIVISION

[G.R. No. 120385, October 17, 1996]

**REPUBLIC OF THE PHILIPPINES, REPRESENTED BY ASSET
PRIVATIZATION TRUST, PETITIONER, VS. NATIONAL LABOR
RELATIONS COMMISSION, HON. EDUARDO J. CARPIO, AND
PANTRANCO ASSOCIATION OF CONCERNED EMPLOYEES UNION,
RESPONDENTS.**

R E S O L U T I O N

VITUG, J.:

Once a judgment becomes final, it is a matter of right for the prevailing party to be entitled to a writ of execution,^[1] so described as the fruit and end of the suit.^[2] The decisions of the Labor Arbiters and the National Labor Relations Commission ("NLRC") having gained finality, writs of execution and notices of garnishment have been issued in (a) NLRC NCR Case No. 00-08-05380-93,^[3] "PANTRANCO EMPLOYEES ASSOCIATION PTGWO vs. PANTRANCO NORTH EXPRESS INC. AND ASSET PRIVATIZATION TRUST;" (b) NLRC-NCR Case No. 00-05-03587-93,^[4] "PANTRANCO ASSOCIATION OF CONCERNED EMPLOYEES UNION vs. PANTRANCO NORTH EXPRESS, INC., ASSET PRIVATIZATION TRUST AND DEPARTMENT OF TRANSPORTATION AND COMMUNICATION;" and, (c) NLRC CASE NO. SUB-RAB-01-12-7-02255-93,^[5] "DR. ANTONIO P. CABUGAO vs. PANTRANCO NORTH EXPRESS, INC., ASSET PRIVATIZATION TRUST."

The writs of execution and notices of garnishment are now sought to be set aside by the Republic, represented by the Asset Privatization Trust ("APT"), in the instant special civil action of prohibition with prayer for the issuance of preliminary injunction or temporary restraining order.

Prefatorily, it would be helpful to mention how APT became involved in these various cases of monetary claims filed by the employees of the Pantranco North Express, Inc. ("PNEI").

In December of 1978, the full ownership of PNEI was transferred to its creditor, the National Investment Development Corporation ("NIDC"), a subsidiary of the Philippine National Bank ("PNB"),^[6] following the latter's foreclosure of PNEI assets. PNEI was one among several companies placed under sequestration by the Presidential Commission on Good Government ("PCGG") shortly after the historic 1986 events in EDSA. Some time in January, 1988, the sequestration order was lifted to give way to the sale of PNEI by the APT which, in the meanwhile, had taken over the management of the company.^[7] The continuing deterioration of its financial condition prompted PNEI to lodge, on 07 May 1992, a Petition for Suspension of Payments with the Securities and Exchange Commission ("SEC"), a move calculated to prevent further dissipation of PNEI's assets and to make PNEI a viable source of

income for the government.^[8] The management committee, which was created to handle the business operations of PNEI, presented a report to the SEC that recommended, in a move to best serve the interest of all parties concerned (creditors, employees of PNEI and the government), the sale of the company through privatization in accordance with the rules of the APT. As a cost saving measure, the management committee also recommended to the SEC the retrenchment of some 500 employees of PNEI. The retrenchment was carried out during the months of November and December of 1992 and January of 1993.

The filing of various labor complaints against PNEI was the immediate result.

(A) **NLRC NCR Case No. 00-08-05380-93** was started by PEA-PTGWO on 27 August 1993 in the Arbitration Branch of the NLRC-NCR against PNEI and APT for unfair labor practice, for non-payment of 13th month pay, and various other claims. Summonses were served and received by the respective Legal Departments of PNEI and APT. When the case was called for hearing, only PNEI made an appearance through the Office of the Government Corporate Counsel ("OGCC"). In the subsequent hearings, while APT did not formally enter its appearance, it, however, submitted a position paper with a motion to dismiss the case.^[9] On 14 February 1994, Labor Arbiter Eduardo Carpio rendered a decision holding PNEI and APT jointly and solidarily liable, viz:

"WHEREFORE, premises considered, judgment is hereby rendered ordering respondents to jointly and severally pay all the covered employees the following:

- "1. 13th month pay and P1,000.00 cash gift for the year 1992;
- "2. medicine allowance from 1991 to September 1993 when the company ceased its operations;
- "3. uniform allowance pursuant to Art. XIII of the CBA;
- "4. separation pay equivalent to one (1) month for every year of service, a fraction of six (6) months to be considered as one (1) whole year; and
- "5. 10% of the total award as attorney's fees."^[10]

No appeal was interposed by either the PNEI or the APT from the Carpio decision. PEA-PTGWO in due time filed an urgent motion for the issuance of a writ of execution. Acting on the motion, Labor Arbiter Carpio directed the Research and Information Unit of the NLRC to submit an official computation of PEA-PTGWO's monetary entitlements. PEA-PTGWO, PNEI and APT were all served with copies of the computation directing them to submit their respective comments thereon. Only PEA-PTGWO submitted its manifestation stating that it was agreeable to the computation.

A writ of execution, dated 26 May 1994, was eventually issued by Labor Arbiter Carpio. The writ was sought to be implemented by Sheriff Juanito Atienza but only a partial satisfaction of judgment could be realized (through the sale of levied properties of PNEI in the sum of P22,300.00).^[11] PEA-PTGWO filed an urgent motion for the issuance of an alias writ of execution which was favorably acted upon. In carrying out the alias writ, Sheriff Atienza served a notice of garnishment, dated 16 November 1994, on the Land Bank of the Philippines "upon all x x x credits, interest, bank deposits x x x belonging to respondent Pantranco North

Express, Inc. or the respondent Asset Privatization Trust"^[12] sufficient to cover the remaining balance of the judgment award in the sum of P68,947,756.10. The Land Bank, in turn, responded in one of its letters to Sheriff Atienza that since the funds of APT, a government owned and controlled agency, were considered public in nature, they could not be the subject of garnishment.^[13]

(B) **NLRC-NCR-00-05-03587-93**, the second labor case, involved a claim for separation pay, 13th month pay and other benefits lodged by PACEU against PNEI, APT and DOTC. The proceedings that transpired in NLRC-NCR-00-05-03587-93 were summarized by Labor Arbiter Raul Aquino in his 21 July 1993 decision; viz:

"It appears on record that this case was initially set for mandatory conference on June 9, 1993. On June 9, 1993, record of the case shows that only the complainant appeared. Respondents appeared on June 18, 1993 but efforts to settle the case failed.

"Complainants on June 29, 1993, filed their position paper together with their individual computation of claims. On June 30, 1993, parties appeared wherein respondents committed to file its position paper on July 8, 1993 with understanding that with or without the said position paper the case should be deemed submitted for decision. On July 8, 1993, complainants appeared. Respondents on its part did not appear neither did it file the required position paper, it did not even explain the reason of its non-appearance.

"Citing the agreement on June 30, 1993 hearing this Office issued an Order on July 13, 1993, the same states:

"When this case was called for hearing on June 30, 1993, respondent requested that it be given until July 8, 1993 within which to submit its position paper with the understanding that with or without the said position paper, the same shall be deemed submitted for decision.

'This case was set again for hearing on July 8, 1993 at 2:00 p.m. During the hearing, complainants together with counsel appeared while respondent failed to appear and likewise failed to submit the required position paper. Thus, complainants move for the submission of the above-entitled case for decision.

'ACCORDINGLY, respondent Pantranco North Express, Inc. is hereby ordered to submit its position paper together with supporting documents within five (5) days from receipt of this Order. Failure to comply with this Order shall be deemed waiver of rights to present evidence hence, the above-entitled case shall be deemed submitted for resolution. No motion for extension shall be entertained.

'SO ORDERED.'

"It appeared on record that respondent did not file the required position paper despite receipt of the mentioned Order.

"In consonance therefore with the Order of July 13, 1993 and pursuant to

par. c, Section 11, Rule V New Rules of Procedure of this Office, this case is now considered submitted for decision."^[14]

On 21 July 1993, Labor Arbiter Aquino rendered a decision, the decretal portion of which read:

"WHEREFORE, premises considered judgment is hereby rendered ordering respondent Pantranco North Express, Inc. to pay individual complainants the following amount as computed.

"In addition, respondent company is further directed to pay individual complainants the uniformed amount of P1,000.00 representing unpaid gift check and uniform allowance in the amount of P5,868.00 for male complainants and the amount of P5,058.00 for female complainants for the year 1991, 1992 and 1993, with the exemption of complainant Marciano Cleofas who is not entitled to uniform allowance. In the case of complainants Rogelio Murillo, Oronico Ponciano, Pereya Francisco, Bernardo Santos and Felizardo Lambino respondent is directed to pay each of them the amount of P6,660.00 for the period of 1991, 1992 and 1993.

"Respondent is likewise directed to pay the attorney's fees equivalent to 10% of the total monetary award of THIRTY NINE MILLION SEVEN HUNDRED THIRTY SIX THOUSAND FOUR HUNDRED FIFTY NINE PESOS AND THIRTEEN CENTAVOS (P39,736,459.13)

"SO ORDERED."^[15]

Since none of the parties appealed, the aforequoted decision eventually became final and executory. Upon motion, Labor Arbiter Aquino issued a writ of execution commanding the sheriff, as follows:

"NOW THEREFORE, you are hereby commanded to proceed to the premises of the respondent Pantranco North Express, Inc. located at 325 Quezon Blvd. Extension, Quezon City to collect the amount of P39,736,459.13 and attorney's fees in the amount of P3,973,645.91 plus the execution fee of P40,000.00 as per Manual Instruction for Sheriff in cash and to turn over the same to this Office for proper disposition."^[16]

By virtue of the writ, various pieces of property of PNEI were levied upon and sold at public auction. Meanwhile, APT filed an Urgent *Ex-Parte* Motion to Quash Execution. By then, the proceeds of the sale of some property had amounted to P1,200,000.00. The amount was deposited with the NLRC pending resolution of APT's motion.

PEA-PTGWO filed a Motion for Intervention before Labor Arbiter Aquino claiming interest over the same property of PNEI because of the union's own monetary claim against the latter.

The case was re-raffled to Labor Arbiter Ricardo Nora, following the inhibition of Labor Arbiter Aquino, who issued an order on 19 November 1993 denying both APT's Urgent *Ex-Parte* Motion to Quash and PEA-PTGWO's Motion for Intervention. Only PEA-PTGWO appealed to the NLRC for the reversal of the order of the Labor Arbiter.