

EIGHTH DIVISION

[CA-G.R. SP NO. 126587, January 23, 2015]

**GRACE BAPTIST CHURCH & SCHOOLS, REV. HERBERT HAYES &
BRENDA HAYES, PETITIONERS, VS. NATIONAL LABOR
RELATIONS COMMISSION AND CYNTHIA IDIO, RESPONDENTS.**

D E C I S I O N

ANTONIO-VALENZUELA, J.:

This is the Petition^[1] filed under Rule 65 of the Rules of Court by Grace Baptist Church & Schools ("petitioner GBC"), Reverend Herbert Hayes ("petitioner Herbert") and Brenda Hayes ("petitioner Brenda;" collectively, "petitioners") imputing grave abuse of discretion upon the National Labor Relations Commission ("NLRC") for issuing the Decision dated 16 April 2012^[2] ("assailed Decision") and the Resolution dated 29 June 2012^[3] ("assailed Resolution") in the suit for illegal dismissal, illegal suspension, non-payment of salary/wages, separation pay and damages, docketed as NLRC NCR Case Number 06-0218-11.

The facts are as follows: Cynthia Idio ("private respondent Cynthia") sued petitioner GBC before the Labor Arbiter.

Private respondent's Position Paper alleged: private respondent Cynthia was a member of petitioner GBC's church since the 1980s; petitioner GBC initially employed private respondent Cynthia as monitor, and later she became supervisor of petitioner GBC's school; aside from her job at petitioner GBC's school, private respondent Cynthia accepted responsibilities in petitioner GBC's church (i.e., teaching Sunday school, and joining the Finance Committee), for which she was not remunerated; in June 2010, petitioners Herbert and Brenda, without a written notice or a definite reason, asked private respondent Cynthia to take a sabbatical leave for a period of one or two months; private respondent Cynthia did not receive her salary from the time she was asked to go on a sabbatical leave; in August 2010, private respondent Cynthia asked petitioner Herbert about her status, but petitioner Herbert did not give her a direct answer and asked her to wait indefinitely; private respondent Cynthia, and her husband Delano Idio ("Delano," Delano was petitioner GBC's church assistant pastor), scheduled five meetings with petitioner Herbert, but petitioner Herbert cancelled the meetings; in April 2010, private respondent Cynthia was not invited to attend the Educator's Training for Academy Staff, which was a prerequisite for her performance of her supervisory duties; on 29 April 2011, petitioners Herbert and Brenda met with private respondent Cynthia and Delano, accused Delano of certain offenses, and told Delano that it was time for Delano to resign; petitioners Herbert and Brenda forced private respondent Cynthia and Delano to sign resignation letters that petitioners Herbert and Brenda had prepared beforehand; on 01 May 2011, petitioner Herbert informed petitioner GBC's Board of Trustees that his decision to terminate private respondent Cynthia's employment was final; members of the Board of Trustees asked petitioner Herbert to defer action

pending investigation, and to inform the congregation that the Board of Trustees did not participate in private respondent Cynthia's and Delano's resignations; but at the meeting held on 06 May 2011, petitioner Herbert announced that private respondent Cynthia's and Delano's resignations were with the consent of the Board of Trustees; the congregation executed the Manifesto, stating that petitioner Herbert had lost the congregation's trust; most members of the Board of Trustees resigned after the meeting on 06 May 2011; there was no ground to terminate private respondent Cynthia's services; while petitioners Herbert and Brenda intimated that there were irregularities in the finances of petitioner GBC's church, these irregularities could not be used as grounds to suspend or dismiss private respondent Cynthia because private respondent Cynthia's position as teacher was a permanent position, and her acceptance of other responsibilities was not a relinquishment or loss of tenure as a faculty member; in the August 2010 meeting, petitioners Herbert and Brenda clarified before the Board of Trustees that no money was missing; private respondent Cynthia was suspended for ten months, from June 2010 until April 2011 (when she was forced to resign), in violation of the 30-day limit for suspension; private respondent Cynthia's suspension was constructive dismissal; private respondent Cynthia should have been given a less punitive penalty; petitioner GBC didn't give private respondent Cynthia the requisite notice of termination; private respondent Cynthia was entitled to backwages and moral damages.

Petitioners filed the Rejoinder to Complainant's *Position Paper*.^[4]

The Rejoinder to Complainant's *Position Paper* alleged: petitioner GBC did not tell private respondent Cynthia, nor did petitioner GBC make respondent Cynthia believe that there would be remuneration for her Sunday school duties; private respondent Cynthia was remunerated for her services as treasurer of petitioner GBC's church; private respondent Cynthia belatedly filed reports or failed to submit reports; private respondent Cynthia refused to accept help in the performance of her duties as treasurer, and also refused help from her brother Galuba; petitioner Brenda's absence in the church services did not hamper petitioner Brenda's performance of duties as a member of the finance committee; private respondent Cynthia went on paid leave from her teaching duties for many weeks to rectify the books and financial records of petitioner GBC, but still she failed to submit reports; Delano, and not private respondent Cynthia, disbursed payment to the construction workers; private respondent Cynthia was placed on sabbatical leave while petitioner GBC's books were being restored to order; petitioner GBC's Board of Trustees agreed on putting private respondent Cynthia on sabbatical leave; in May 2010, petitioner GBC's Board of Trustees ordered private respondent Cynthia to turnover the books of account of petitioner GBC to Petitioner Brenda, because of the irregularities in private respondent Cynthia's performance (i.e.: private respondent Cynthia improperly took collections and tithes home, and did not deposit the church money to the bank the next day); it was only when private respondent Cynthia was confronted with anomalies in the payment of Pag-big employee contributions when private respondent Cynthia felt "over-burdened" by her obligations; petitioner GBC paid private respondent Cynthia's personal loans, Philhealth, and Pag-ibig contributions, until May 2011; private respondent Cynthia took a permanent job and had been working for three weeks outside petitioner GBC; petitioner Herbert informed private respondent Cynthia that no decision had been made because the investigation was still pending; on 12 August 2010, petitioner GBC's church received a delinquency letter from Pag-ibig about the non-payment of employee contributions amounting to P13,584.03; private respondent Cynthia admitted to failing to pay the

Pag-ibig employee contributions, but did not explain how the fund allotted to said expense was used; three meetings between private respondent Cynthia and petitioner Herbert were cancelled because of petitioner Herbert's hospitalization; private respondent Cynthia never attempted to reconcile with petitioners; the resignation letters were supposed to be confidential, yet private respondent Cynthia and Delano told the other members of the church about them, to gain sympathy; petitioners had substantial basis to lose trust and confidence in private respondent Cynthia; private respondent Cynthia had only herself to blame for the protracted inquiry against her, because she did not defend herself, and did not correct the anomalies in the handling of petitioner GBC's funds.

Labor Arbiter Monroe C. Tabingan ("LA Tabingan") issued the Decision dated 29 December 2011, and dismissed the case for lack of merit.

Private respondent Cynthia filed the appeal before the NLRC.

On 16 April 2012, the NLRC issued the assailed Decision. The dispositive portion of the assailed Decision read:

*WHEREFORE, PREMISES CONSIDERED, complainant's appeal is **GRANTED**. The [D]ecision dated December 29, 2011 of Labor Arbiter Monroe C, [sic] Tabingan is **REVERSED** and **SET ASIDE** and a **NEW ONE** is entered declaring complainant to have been illegally suspended and illegally dismissed as a teacher/supervisor. Consequently, respondents are ordered to pay complainant her separation pay, in lieu of reinstatement, equivalent to her one (1) month pay for every year of service up to the finality of the decision; and full backwages, inclusive of allowances and other benefits or their monetary equivalent, if any, computed from [the] date her salaries and benefits were withheld up to the finality of this decision.*

SO ORDERED.^[5]

Petitioners moved for the reconsideration of the assailed Decision. On 29 June 2012, the NLRC issued the assailed Resolution denying the motion for reconsideration.

Hence, this Petition, with the following assignment of errors:

A.

THE RESPONDENT COMMISSION ACTED WITH GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION WHEN IT CLEARLY MISAPPRECIATED THE EVIDENCE REQUIRED BY LAW TO PROVE THAT PRIVATE RESPONDENT VOLUNTARILY RESIGNED FROM HER POST.

B.

THE RESPONDENT COMMISSION COMMITTED GRAVE ABUSE OF DISCRETION IN COMPLETELY AND CAPRICIOUSLY DISREGARDING THE NATURE OF THE OFFENSE COMMITTED BY PRIVATE RESPONDENT AGAINST THE GRACE BAPTIST CHURCH

and SCHOOLS OF BAGUIO CITY, INC.

C.

ASSUMING WITHOUT ADMITTING THAT THE GBC AS EMPLOYER COULD BE MADE LIABLE FOR ILLEGAL DISMISSAL, THE PUBLIC RESPONDENT, FLOUTING WELL-ESTABLISHED JUDICIAL PRECEDENT COMMITTED GRAVE ABUSE OF DISCRETION IN DISTREGARDING THE SEPARATE CORPORATE ENTITY OF THE GBC FROM THE LATE REV. HAYES AND PETITIONER HEREIN DESPITE THE FACT THAT THERE IS NO SHOWING OF BAD FAITH ON THE PART OF THE RESPONDENTS A QUO NATURAL PERSONS, THE LATE REV. HERBERT F. HAYES AND MS. BRENDA LOU G. HAYES, SO AS TO MAKE THEM PERSONALLY LIABLE FOR GBC'S OBLIGATION.^[6]

The issue is whether the NLRC committed grave abuse of discretion in issuing the assailed Decision and the assailed Resolution.

The Petition^[7] answers in the affirmative. The NLRC committed grave abuse of discretion in issuing the assailed Decision and the assailed Resolution.

The Petition thrusts: the NLRC relied upon affidavits of persons who were not present when private respondent Cynthia voluntarily signed her resignation letter; the NLRC committed grave abuse of discretion when it disregarded all evidence of private respondent Cynthia's negligence, malfeasance, and misfeasance, in the handling of petitioner GBC's finances; as treasurer who handled significant amounts of petitioner GBC's money and property, private respondent Cynthia held a position of trust and confidence; private respondent Cynthia's positions of school supervisor and church treasurer cannot be compartmentalized and separated because petitioner GBC espoused a holistic approach to education, religion, and community; private respondent Cynthia's dereliction of duties as treasurer reflected on her moral fitness to teach in the school; petitioners' evidence showed that private respondent Cynthia went on long, paid leaves from her teaching duties, to rectify petitioner GBC's books; there was an on-going controversy regarding the authority to run petitioner GBC, brought by private respondent Cynthia, Delano, and other former members, against petitioner Herbert; private respondent Cynthia's constant failure to comply with her duties as treasurer became a source of controversy among petitioner GBC's employees and Board of Trustees; private respondent Cynthia was remiss in her duties (i.e.: she did not pay petitioner GBC's utility bills on time; she did not remit the loan contributions of petitioner GBC's employees to proper government agencies), and did not immediately rectify these errors thus petitioner GBC incurred penalties for delayed payments of bills; petitioner Herbert repeatedly asked private respondent Cynthia for updates on petitioner GBC's finances, but private respondent Cynthia failed to give accounts; petitioner Herbert informed the Board of Trustees of private respondent Cynthia's behavior; private respondent Cynthia admitted to having failed to pay Pag-ibig employee contributions, explaining that the money was used to pay other obligations; despite the numerous opportunities given private respondent Cynthia to explain her wrongdoings and to rectify petitioner GBC's financial records, private respondent Cynthia merely stated that she did not personally benefit from petitioner GBC's funds; private respondent Cynthia was an employee who held a position of trust and confidence, since she was