

SECOND DIVISION

[G.R. No. 225125, June 06, 2018]

MARLON L. ARCILLA, PETITIONER, VS. ZULISIBS, INC., PIANDRE SALON, AND ROSALINDA FRANCISCO, RESPONDENTS.

R E S O L U T I O N

CARPIO, J.:

The Case

This is a petition for review to set aside the 10 February 2016 Decision^[1] of the Court of Appeals in CA-G.R. SP No. 141953 which affirmed with modifications the Resolutions dated 30 April 2015^[2] and 26 June 2015^[3] of the National Labor Relations Commission (NLRC), Third Division, in NLRC LAC No. 04-001028-15/NLRC NCR No. 10-12582-14.

The Facts

Respondent Zulisibs, Inc. (Zulisibs) is a corporation organized and existing under Philippine laws with respondent Rosalinda Francisco (Francisco) as its President and Chief Executive Officer. Zulisibs operates respondent Piandre Salon (Piandre), an establishment engaged in the operation of beauty salons.

Petitioner Marlon L. Arcilla (Marlon) was hired by Piandre on 8 February 2000 and was assigned to the Alabang, Muntinlupa City branch. Maricel Arcilla (Maricel), Marlon's wife, was hired on 12 November 2000 and was assigned to the Salcedo Village, Makati City branch. After several years, both Marlon and Maricel were promoted as senior hair stylists earning a monthly salary of P11,672.00 plus commissions from customers and sale of products.

Sometime in September 2014, Zulisibs, through its officers, received information that Marlon was establishing a beauty salon somewhere in Daang Hari, Alabang, Muntinlupa City, near the Piandre Salon where Marlon was working.

On 6 September 2014, Marlon received a notice from Piandre and Francisco placing Marlon under preventive suspension from 6 to 14 September 2014 and requiring him to appear on 12 September 2014 at Francisco's office in Sta. Ana, Manila.

During the 12 September 2014 investigative hearing, Marlon was accused of, among other things, being involved in the opening of a salon near Piandre Alabang. Marlon denied that he had an agreement or contract with the owner of the salon along Daang Hari, Alabang. However, he admitted the following: (1) that he extended help to the salon owner who happens to be his brother-in-law; (2) that he called up two

former employees of Piandre and recommended them to his brother-in-law; and (3) that he gave P50,000.00 to the salon owner which amount was a portion of the P250,000.00 loan he borrowed from the employees' cooperative of Piandre.^[4]

Further investigation revealed that Marlon was often absent from work and whenever he was working, he would entertain phone calls, thus, disrupting his work. He would be absent on days when he would be the only stylist available. Francisco and other supervisors of Piandre verified the existence of a new salon along Daang Hari, Alabang and alleged that "the interiors of said salon, already with equipment, mirrors and chairs, [sic] all set to operate, with towels folded and presented the 'Piandre' way."^[5] They also learned from neighboring establishments that the salon was set to open on 8 September 2014.

On 11 September 2014, Maricel received a notice from Piandre and Francisco, asking her to explain her alleged involvement with her husband, Marlon, in setting up a salon along Daang Hari, Alabang and requiring her to appear on 13 September 2014 at the Sta. Ana office. On 14 September 2014, Maricel received a notice placing her under preventive suspension from 14 September to 13 October 2014.

Marlon received a copy of his notice of termination on 14 September 2014. Maricel received her notice of termination on 26 September 2014. Both were found guilty of violating Piandre's Code of Discipline 3F No. 2: *Pagkawala ng tiwala dahil sa ginawang masama*.

Subsequently, Marlon and Maricel filed two separate complaints^[6] for illegal dismissal, underpayment of wages, non-payment of overtime pay, service incentive leave, 13th month pay, Emergency Cost of Living Allowance, and separation pay, and illegal suspension, with prayer for moral and exemplary damages, and attorney's fees.

The Ruling of the Labor Arbiter

On 9 March 2015, the Labor Arbiter rendered a Decision^[7] dismissing Marlon and Maricel's complaints for lack of merit. The Labor Arbiter held that:

WHEREFORE, the complaint[s] for illegal dismissal and x x x money claims [are] DISMISSED for lack of merit.^[8]

The Ruling of the NLRC

On 30 April 2015, the NLRC denied Marlon and Maricel's appeal and affirmed the Labor Arbiter's decision. The NLRC held that:

WHEREFORE, premises considered, Complainants-Appellants' appeal is hereby DENIED. The March 9, 2015 Decision of Labor Arbiter Gaudencio P. Demaisip, Jr. is hereby AFFIRMED.^[9]

On 26 June 2015, Marlon and Maricel's Motion for Reconsideration^[10] was denied by the NLRC for lack of merit, holding that "The resolution of [the] Commission dated April 30, 2015 STANDS undisturbed."^[11]

The Ruling of the Court of Appeals

On 10 February 2016, Marlon and Maricel's petition for certiorari under Rule 65 was partially granted. Marlon's termination was held to be valid. As to Maricel, the Court of Appeals held that the NLRC and the Labor Arbiter erred in upholding the legality of her dismissal. The dispositive portion of the Decision^[12] reads:

WHEREFORE, the petition is PARTIALLY GRANTED. The Resolutions dated April 30, 2015 and June 26, 2015 of public respondent National Labor Relations Commission, Third Division, in NLRC LAC No. 04-001028-15/NLRC NCR No. 10-12582-14 are hereby AFFIRMED with MODIFICATIONS, in that the private respondents are ORDERED to pay MARICEL ARCILLA the following:

- 1) Backwages and all other benefits from September 26, 2014 until finality of this Decision;
- 2) Separation pay equivalent to one (1) month salary for every year of service;
- 3) Moral and exemplary damages in the amount of Php 50,000.00
- 4) Attorney's fees equivalent to ten percent (10%) of the total monetary award; and
- 5) Legal interest of six percent (6%) *per annum* on the total monetary awards from the finality of this Decision until full payment thereof.

The appropriate Computation Division of the National Labor Relations Commission is hereby ordered to COMPUTE and UPDATE the award as herein determined WITH DISPATCH.

All other aspects of the assailed Resolutions STAND.

SO ORDERED.^[13]

The Issues

Marlon presents the following issues:

1. Whether the Court of Appeals erred in upholding the two resolutions of the NLRC, finding Marlon's dismissal to be valid and for just cause, and effected after due

notice and hearing; and

2. Whether the Court of Appeals gravely erred in upholding the two resolutions of the NLRC, finding that Marlon was not entitled to his money claims.

The Ruling of this Court

We deny the petition.

Dismissals under the Labor Code have two facets: the legality of the act of dismissal, which constitutes substantive due process; and the legality of the manner of dismissal, which constitutes procedural due process.^[14]

In this case, we do not dispute the findings of the Labor Arbiter, the NLRC, and the Court of Appeals that the manner of Marlon's dismissal was legal and in accordance with law.^[15] The requirement of procedural due process was met when Marlon was served with a first written notice containing the specific causes or grounds for his termination, when Marlon was called to attend an investigative hearing to explain his side, and when Marlon was served with a second written notice containing the justification for his termination.

Thus, the only issue to be resolved is the legality of the act of dismissal by re-examining the facts and evidence on record. Given that this Court is not a trier of facts, and the scope of its authority under Rule 45 of the Rules of Court is confined only to errors of law and does not extend to questions of fact, which are for labor tribunals to resolve, one of the recognized exceptions to the rule is when the factual findings and conclusion of the labor tribunals are contradictory or inconsistent with those of the Court of Appeals.^[16] In this case, however, the factual findings and conclusion of the labor tribunals and the Court of Appeals regarding Marlon's dismissal are consistent and one. As to Maricel, the decision in her favor was not appealed to us anymore. Thus, the decision of the Court of Appeals insofar as Maricel is concerned is final and executory.

Respondents Zulisibs, Francisco, and Piandre alleged that Marlon committed serious misconduct or willful disobedience of the company's lawful orders, and of fraud or willful breach of the trust reposed in him by the company when he helped his brother-in-law open a salon along Daang Hari, Alabang. They justified Marlon's dismissal by citing paragraphs (a) and (c), Article 297 of the Labor Code.^[17] The provision reads:

Article 297. *TERMINATION BY EMPLOYER.* An employer may terminate an employee for any of the following causes:

(a) Serious misconduct or willful disobedience by the employee of the lawful orders of his employer or representative in connection with his work.

(c) Fraud or willful breach by the employee of the trust reposed in him by his employer or duly authorized representative.