

## FIRST DIVISION

[ G.R. No. 191310, April 11, 2018 ]

**PRINCESS TALENT CENTER PRODUCTION, INC., AND/OR LUCHI SINGH MOLDES, PETITIONERS, VS. DESIREE T. MASAGCA, RESPONDENT.**

### DECISION

**LEONARDO-DE CASTRO, \*\* J.:**

Before the Court is a Petition for Review on *Certiorari* under Rule 45 of the Revised Rules of Court filed by petitioners Princess Talent Center Production, Inc. (PTCPI) and Luchi Singh Moldes (Moldes) assailing: (1) the Decision<sup>[1]</sup> dated November 27, 2009 of the Court of Appeals in CA-G.R. SP No. 110277, which annulled and set aside the Resolutions dated November 11, 2008<sup>[2]</sup> and January 30, 2009<sup>[3]</sup> of the National Labor Relations Commission (NLRC) in NLRC NCR CA No. 049990-06, and ordered petitioners and their foreign principal, Saem Entertainment Company, Ltd. (SAENCO), to jointly and severally pay respondent Desiree T. Masagca her unpaid salaries for one year, plus attorney's fees; and (2) the Resolution<sup>[4]</sup> dated February 16, 2010 of the appellate court in the same case, which denied the Motion for Reconsideration of petitioners and SAENCO.

### I

#### FACTUAL ANTECEDENTS

Sometime in November 2002, respondent auditioned for a singing contest at ABC-Channel 5 in Novaliches, Quezon City when a talent manager approached her to discuss her show business potential. Enticed by thoughts of a future in the entertainment industry, respondent went to the office of petitioner PTCPI, a domestic corporation engaged in the business of training and development of actors, singers, dancers, and musicians in the movie and entertainment industry.<sup>[5]</sup> At the office, respondent met petitioner Moldes, President of petitioner PTCPI, who persuaded respondent to apply for a job as a singer/entertainer in South Korea.

A Model Employment Contract for Filipino Overseas Performing Artists (OPAS) To Korea<sup>[6]</sup> (Employment Contract) was executed on February 3, 2003 between respondent and petitioner PTCPI as the Philippine agent of SAENCO, the Korean principal/promoter. Important provisions of the Employment Contract are reproduced below:

#### 1. DURATION AND PERIOD OF EFFECTIVITY OF THE CONTRACT

1.1Duration: This contract shall be enforced for the period of six months, Extendible by another six months by mutual agreement of the parties.

Affectivity (sic): The contract shall commence upon the

Talent's departure from The Philippines (Date 6) and shall remain in force as Stipulated in the duration, unless sooner terminated by the mutual consent of The parties or due to circumstances beyond their control. Booking of Talent Shall be effected within three (3) days upon arrival in Korea, But only after Undergoing Mandatory Post-Arrival Briefing at the Philippine Embassy Overseas Labor Office (POLO), Philippine Embassy in Seoul.

2. NAME OF PERFORMANCE VENUE:

Siheung Tourist Hotel Night Club

NAME OF OWNER:

Cho Kang Hyung.

ADDRESS:

1622-6 (B2) Jung Wang Dons Siheung Kyung Ki Do

x x x x

(Subject to ocular inspection, Verification, and approval by the POLO)

3. COMPENSATION: The Talent shall receive a monthly compensation of a Minimum of U.S.D. \$600, (Ranging from U.S.D. 500 to 800 based on The categories of the ARB, skill and experience of the Talent, and of the Performance Venue) which shall accrue beginning on the day of the Talent's Departure from the Philippines and shall be paid every end of the month directly To The Talent. By the Employer, minus the authorized fees of the Philippine Agent and The Talent Manager, which shall be deducted at a maximum monthly Rates of U.S. \$100 and U.S. \$100 for the Philippine Agent and Talent Manager, respectively. *Deductions of \$200/month is good for three (3) months only.*

4. HOURS OF WORK, RESTDAY AND OVERTIME PAY

4.1 Hours of work: Maximum of Five (5) hours per day.

4.2 Rest day: One (1) day a week

4.3 Overtime Rate: (100) percent of regular rate or the prevailing rate in Korea as Required by the Labor Standard Act.

x x x x

9. The services of the Talents as provided in this contract shall only be rendered at the Performance Venue identified in this contract. Should there be a need and mutual agreement of the parties for the talent to transfer to another Performance Venue There shall be executed a new contract. The new contract shall be subject of Verification requirement of the Philippine Overseas Labor Office, Philippine Embassy.

x x x x

12. TERMINATION:

- A. Termination by the Employer: The Employer may terminate the Contract of Employment for any of the following just causes: serious misconduct or Willful disobedience of the lawful orders of the employer, gross or habitual Neglect of duties, violation of the laws of the host country. When the Termination of the contract is due to the foregoing causes, the Talent shall Bear the cost of repatriation. In addition, the Talent may be liable to Blacklisting and/or other penalties in case of serious offense.
- B. Termination by the Talent: The Talent may terminate the contract for any of The following just causes: when the Talent is maltreated by the Employer or Any of his/her associates, or when the employer commits of (sic) the following — Non-payment of Talent salary, underpayment of salary in violation of this Contract, non-booking of the Talent, physical molestation, assault or Subjecting the talent to inhumane treatment or shame. Inhumane treatment Shall be understood to include forcing or letting the talent to be used in Indecent performance or in prostitution. In any of the foregoing case, the Employer shall pay the cost of repatriation and be liable to garnishment of The escrow deposit, aside from other penalties that may arise from a case.
- C. Termination due to illness: Any of the parties may terminate the contract on The ground of illness, disease, or injury suffered by the Talent, where the Latter's continuing employment is prohibited by law or prejudicial to his/her Health, or to the health of the employer, or to others. The cost of the Repatriation of the Talent for any of the foregoing reasons shall be for the Account of the employer.

[7]

Respondent left for South Korea on September 6, 2003 and worked there as a singer for nine months, until her repatriation to the Philippines sometime in June 2004. Believing that the termination of her contract was unlawful and premature, respondent filed a complaint against petitioners and SAENCO with the NLRC.

### **Respondent's Allegations**

Respondent alleged that she was made to sign two Employment Contracts but she was not given the chance to read any of them despite her requests. Respondent had to rely on petitioner Moldes's representations that: (a) her visa was valid for one year with an option to renew; (b) SAENCO would be her employer; (c) she would be singing in a group with four other Filipinas<sup>[8]</sup> at Seaman's Seven Pub at 82-8 Okkyo-Dong, Jung-Gu, Ulsan, South Korea; (d) her Employment Contract had a minimum term of one year, which was extendible for two years; and (e) she would be paid a monthly salary of US\$400.00, less US\$100.00 as monthly commission of petitioners. Petitioner Moldes also made respondent sign several spurious loan documents by threatening the latter that she would not be deployed if she refused to do so.

For nine months, respondent worked at Seaman's Seven Pub in Ulsan, South Korea - not at Siheung Tourist Hotel Night Club in Siheung, South Korea as stated in her Employment Contract - without receiving any salary from SAENCO. Respondent subsisted on the 20% commission that she received for every lady's drink the customers purchased for her. Worse, respondent had to remit half of her commission to petitioner Moldes for the payment of the fictitious loan. When respondent failed to remit any amount to petitioner Moldes in May 2004, petitioner Moldes demanded that respondent pay the balance of the loan supposedly amounting to US\$10,600.00. To dispute the loan, respondent engaged the legal services of Fortun, Narvasa & Salazar, a Philippine law firm, which managed to obtain copies of respondent's Employment Contract and Overseas Filipino Worker Information Sheet. It was only then when respondent discovered that her employment was just for six months and that her monthly compensation was US\$600.00, not just US\$400.00.

Respondent further narrated that on June 13, 2004, petitioner Moldes went to South Korea and paid the salaries of all the performers, except respondent. Petitioner Moldes personally handed respondent a copy of the loan document for US\$10,600.00 and demanded that respondent terminate the services of her legal counsel in the Philippines. When respondent refused to do as petitioner Moldes directed, petitioner Moldes withheld respondent's salary. On June 24, 2004, Park Sun Na (Park), President of SAENCO,<sup>[9]</sup> went to the club where respondent worked, dragged respondent outside, and brought respondent to his office in Seoul where he tried to intimidate respondent into apologizing to petitioner Moldes and dismissing her counsel in the Philippines. However, respondent did not relent. Subsequently, Park turned respondent over to the South Korean immigration authorities for deportation on the ground of overstaying in South Korea with an expired visa. It was only at that moment when respondent found out that petitioner Moldes did not renew her visa.

Respondent filed the complaint against petitioners and SAENCO praying that a decision be rendered declaring them guilty of illegal dismissal and ordering them to pay her unpaid salaries for one year, inclusive of her salaries for the unexpired portion of her Employment Contract, backwages, moral and exemplary damages, and attorney's fees.

### **Petitioners' Allegations**

Petitioners countered that respondent signed only one Employment Contract, and that respondent read its contents before affixing her signature on the same. Respondent understood that her Employment Contract was only for six months since she underwent the mandatory post-arrival briefing before the Philippine Labor Office in South Korea, during which, the details of her Employment Contract were explained to her. Respondent eventually completed the full term of her Employment Contract, which negated her claim that she was illegally dismissed.

Petitioners additionally contended that respondent, on her own, extended her Employment Contract with SAENCO, and so petitioners' liability should not extend beyond the original six-month term of the Employment Contract because the extension was made without their participation or consent.

Petitioners likewise averred that they received complaints that respondent violated

the club policies of SAENCO against wearing skimpy and revealing dresses, dancing in a provocative and immoral manner, and going out with customers after working hours. Respondent was repatriated to the Philippines on account of her illegal or immoral activities. Petitioners also insisted that respondent's salaries were paid in full as evidenced by the nine cash vouchers<sup>[10]</sup> dated October 5, 2003 to June 5, 2004. Petitioners submitted the *Magkasamang Sinumpaang Salaysay*<sup>[11]</sup> of respondent's co-workers, Sheila Marie V. Tiatco (Tiatco) and Carolina Flores (Flores), who confirmed that respondent violated the club policies of SAENCO and that respondent received her salaries.

Petitioners submitted as well the Sworn Statement<sup>[12]</sup> dated November 9, 2004 of Baltazar D. Fuentes (Baltazar), respondent's husband, to prove that respondent obtained a loan from petitioner PTCPI. Baltazar affirmed that petitioner PTCPI lent them some money which respondent used for her job application, training, and processing of documents so that she could work abroad. A portion of the loan proceeds was also used to pay for their land in Lagrimas Village, Tiaong, Quezon, and respondent's other personal expenses.

Petitioner Moldes, for her part, disavowed personal liability, stating that she merely acted in her capacity as a corporate officer of petitioner PTCPI.

Petitioners thus prayed that the complaint against them be dismissed and that respondent be ordered to pay them moral and exemplary damages for their besmirched reputation, and attorney's fees for they were compelled to litigate and defend their interests against respondent's baseless suit.

### **Labor Arbiter's Ruling.**

On May 4, 2006, Labor Arbiter Antonio R. Macam rendered a Decision<sup>[13]</sup> dismissing respondent's complaint, based on the following findings:

The facts of the case and the documentary evidence submitted by both parties would show that herein [respondent] was not illegally dismissed. This Office has noted that the POEA approved contract declares that the duration of [respondent's] employment was for six (6) months only. The fact that the duration of [respondent's] employment was for six (6) months only is substantiated by the documentary evidence submitted by both parties. Attached is [respondent's] Position Paper as Annex "D" is a Model Employment Contract for Filipino Overseas Performing Artist to Korea signed by the parties and approved by the POEA. Also attached to the Position Paper of the [petitioners] as Annex "1" is a copy of the Employment Contract signed by the parties and approved by POEA. We readily noted that the common evidence submitted by the parties would prove that [respondent's] employment was for six (6) months only. The deploying agency, Princess. Talent Center Production, Inc. processed the [respondent] for a six-month contract only and there is no showing that the deploying agency participated in the extension of the contract made by the [respondent] herself. There is likewise no evidence on record which would show that the POEA approved such an extension. As matters now stand, this Office has no choice but to honor the six months duration of the contract as approved by the POEA. The conclusion therefore is that