

THIRD DIVISION

[G.R. No. 152923, January 19, 2009]

**NORTHEASTERN COLLEGE TEACHERS AND EMPLOYEES
ASSOCIATION, REPRESENTED BY LESLIE GUMARANG,
PETITIONER, VS. NORTHEASTERN COLLEGE, INC., RESPONDENT.**

D E C I S I O N

CHICO-NAZARIO, J.:

Assailed before Us is the Amended Decision^[1] of the Court of Appeals dated 11 April 2002 in CA-G.R. SP No. 50490 which reversed and set aside its Decision^[2] dated 22 March 2001 annulling and setting aside the decision of the National Labor Relations Commission (NLRC) dated 15 September 1997. In so doing, it affirmed in *toto* the said decision of the NLRC and reversed and set aside the Orders dated 22 July 1994 and 28 May 1996 of the Labor Arbiter of the Regional Arbitration Branch (RAB) II, Tuguegarao, Cagayan.

Petitioner Northeastern College Teachers & Employees Association (NCTEA) is a labor organization duly registered with the Department of Labor and Employment (DOLE).

Petitioner Leslie M. Gumarang (Gumarang) was the President of the NCTEA when the complaints in this case were filed with the National Labor Relations Commission, Regional Arbitration Branch No. II, until 7 October 1994 when his term of office expired.

Respondent Northeastern College, Inc. (NC) is an educational institution duly organized under Philippine laws with place of business at Maharlika Road, Municipality of Santiago, Province of Isabela, Philippines.

The antecedents are as follows:

On 7 May 1991, NCTEA and Gumarang filed a complaint for Unfair Labor Practice and Underpayment of Wages under Republic Act No. 6727 against NC and its President and Board of Directors, docketed as NLRC RAB II CN. 05-00157-91.^[3]

On 4 September 1991, a complaint for Illegal Layoff, Non-Payment of Holiday Pay pursuant to Republic Act No. 6728, Differential Pay Money under Wage Order RO2-01, and Unfair Labor Practice was filed by NCTEA and Leslie Gumarang against the President, School Accountant and Board of Directors of NC. The case, docketed as NLRC RAB II CN. 09-00293-91, was entitled: "Leslie M. Gumarang, Roger T. Bautista^[4] with NCTEA Board of Directors, Northeastern College Teachers-Employees Association v. President/School Accountant/Board of Directors of Northeastern College, Santiago, Isabela."^[5]

The two cases were consolidated. On 13 August 1992, Labor Arbiter Gregorio C. Calasan rendered a decision,^[6] the dispositive portion of which reads:

WHEREFORE, decision is hereby rendered in accordance with the foregoing dispositions and the parties are ordered to sit down for the purpose of computing the amounts due to each employee concerned after which the respondents are ordered to pay the same.

On 26 August 1992, counsel for NC received a copy of the aforementioned decision. NC did not appeal the decision; thus, the same became final after the lapse of ten (10) days on September 5, 1992.^[7]

On 8 September 1992, NCTEA filed a Motion for Enforcement of the decision stating therein that the total amount due NCTEA was P2,145,711.86.^[8]

On 10 September 1992, Labor Arbiter Calasan issued an Order^[9] which reads:

On September 8, 1992, the complainants filed a motion for enforcement setting forth the computation of the award in the Decision in the above-entitled cases which is already final and executory, copy of the motion of which is hereto attached.

WHEREFORE, the respondent is given fifteen (15) days from receipt of this Order within which to comment on the complainants' motion (sic) failure of which shall be considered confirmation of the accuracy of the computation by the complainants and the issuance of writ of execution as prayed for.

Despite notice, NC did not file its comment.

On 2 October 1992, NCTEA filed a Motion for Execution praying that the writ be issued for the collection of the amount of P2,145,711.86.^[10]

In an Order dated 6 October 1992, there being a disagreement over the recoveries of the individual complainants under the terms of the decision, Labor Arbiter Calasan scheduled a conference on 9 October 1992 for the purpose of clarifying the decision.^[11] The Order reads:

Considering that the DECISION in the above-entitled cases dated 13 August 1992 is already final and executory for lack of appeal by either of the parties and considering further that there is a disagreement over the recoveries of the individual complainants under the terms of the DECISION, the parties are hereby notified that a conference before the undersigned for the purpose of clarifying the DECISION is hereby set on 9 October 1992, 10:00 a.m. at the Conference Room, Northeastern College, Santiago, Isabela.

On the scheduled hearing, the request of NC to be given another opportunity to make its computation and submit and furnish the NCTEA a copy thereof on or before

24 October 1992 in order to reconcile its computation with that of the NCTEA, was granted. NC however failed to submit its computation.

On 28 October 1992, NCTEA filed a Motion for Execution of the decision dated 13 August 1992 and for the collection of the amount of P2,150,630.80 representing its total claim as of 31 October 1992 on the basis of the computation it submitted to Labor Arbiter Calasan. It argued that the acts of NC in failing to comment on the Motion for Enforcement and its failure to submit its computation despite being given an extension to do so were intended to delay the enforcement of the decision which had long become final and executory.^[12]

On 4 November 1992, the Labor Arbiter issued a writ of execution for the collection of P2,150,630.80 per computation by the NCTEA. It explained that the failure of the NC to submit its computation could only be construed as a confirmation of the accuracy of the NCTEA's computation. The decretal portion of the writ reads:

NOW THEREFORE, you are hereby ordered to proceed to the premises of the respondent Northeastern College located at Santiago, Isabela to demand from its management the sum of TWO MILLION ONE HUNDRED FIFTY THOUSAND SIX HUNDRED THIRTY PESOS & 80/100 (P2,150,630.80) due to the respondent's employees concerned as indicated in the union's computation plus the amount of your execution fee. In the event that you fail to collect the amount in cash, Philippine Currency from the respondent College, you are hereby directed to cause the full satisfaction of the same from its movable properties or in the absence thereof, from its real properties not exempted from execution and return this writ of execution together with your proceedings thereon, within sixty (60) days from receipt hereof.^[13]

On 25 November 1992, NC filed a Motion to Quash and Set Aside the Writ of Execution grounded on the following: (1) that the decision sought to be executed utterly failed to specify any definite adjudication of payment; (2) that the amount specified in the writ of execution to be collected had no legal basis; and (3) that the issuance of the writ of execution was evidently misplaced. It argued, *inter alia*, that based on its computation, the members of NCTEA had been fully paid and even overpaid the benefits under Republic Act Nos. 6727 and 6728.^[14]

The Motion was set for hearing on 16 December 1992, with respondent NC manifesting that it would submit its computation, which was prepared in Manila. Despite the opportunity given, it failed to submit the promised computation.

In an Order dated 3 February 1993, Labor Arbiter Calasan dismissed the Motion to Quash and Set Aside the Writ of Execution for lack of merit.^[15] Counsel for NC received a copy thereof on 9 February 1993. No motion for reconsideration or appeal was filed by NC.

On 4 March 1993, the Labor Arbiter issued an Alias Writ of Execution for the collection of P2,145,711.86 as the amount due NCTEA and P20,957.12 for execution fees and for other expenses.^[16]

Subsequently, NC filed by mail before the NLRC a Complaint for Injunction with

Urgent Prayer for the Issuance of a Temporary Restraining Order enjoining NCTEA, the Labor Arbiter and Sheriff Severino C. Gosiengfiao from enforcing the writ of execution issued in NLRC RAB II CN. 05-00157-91 and 09-00293-91 relative to the decision promulgated on 13 August 1992. On 16 April 1993, the NLRC issued a Resolution dismissing the complaint for lack of merit.^[17] NC moved for the reconsideration^[18] of said resolution but the same was not resolved.

On 17 May 1993, NCTEA filed a Motion for the Issuance of Alias Writ of Execution^[19] which Labor Arbiter Calasan issued on 27 May 1993.^[20] A Notice of Public Auction on Execution of Real Property covering Transfer Certificate of Title (TCT) No. 98270 was published in the *Valley Times*, Ilagan, Isabela, on 5, 12 & 19 June 1993.^[21]

On 4 June 1993, by virtue of the Alias Writ of Execution dated 27 May 1993, Sheriff Gosiengfiao issued a Notice of Public Auction on Execution of Real Property involving property covered by TCT No. 98270 which was levied on 18 March 1993.^[22]

On 8 June 1993, NC filed with the Labor Arbiter a motion to quash the Alias Writ of Execution issued on 27 May 1993 on the ground that it had a pending Motion for Reconsideration of the Resolution of the NLRC dismissing its Complaint for Injunction.^[23]

On 14 June 1993, the Labor Arbiter issued an Order holding the resolution of the Motion to Quash in abeyance, thus:

On 08 June 1993, this Office received a MOTION TO QUASH alias WRIT OF EXECUTION dated 27 May 1993. As ground the respondents alleged that they filed a MOTION FOR RECONSIDERATION of the resolution of the Commission which denied the respondents' petition for Injunction which motion for reconsideration is still pending resolution by the Commission. However, the respondent failed to furnish Office with a copy of the said motion for reconsideration. It also appears that the sheriff of this office has already levied a property of the respondents and has scheduled its auction sale on June 30, 1993.

WHEREFORE, resolution of the motion to quash is held in abeyance and the respondent is directed to submit within five (5) days from receipt hereof with a copy of their motion for reconsideration filed to the Commission.^[24]

On 30 June 1993, Sheriff Gosiengfiao issued a Certificate of Sheriff's Sale certifying that the property covered by TCT No. 98270 was sold at public auction to complainants Leslie Gumarang and Roger T. Bautista through their attorney-in-fact, Angelo T. Bautista, for P150,000.00. It was further certified that said persons were the only bidders and that the sale price was not paid but was merely credited to the partial satisfaction of the award contained in the decision.^[25] The sheriff's return of service was done on 25 August 1993.

On 11 August 1993, NCTEA filed a motion for the issuance of an alias writ of execution for the deficiency of the award. On 25 August 1993, the Labor Arbiter issued another Alias Writ of Execution for the collection of the remaining amount of P1,995,711.86 (the balance after deducting P150,000.00 from P2,145,711.86) plus

P20,957.12 as execution fee and for other expenses.^[26]

On 26 August 1993, Sheriff Gosiengfiao issued a Notice of Public Auction on Execution of Real Property covering CTC No. 3973 - Cadastral Lot No. 4935-H.^[27] On 11 September 1993, said Notice of Public Auction of Real Property was published in the *Valley Times*.^[28] On 17 September 1993, Sheriff Gosiengfiao issued another Certificate of Sheriff's Sale covering the aforesaid property sold at public auction on 16 September 1993 to Leslie Gumarang, Roger T. Bautista and their attorney-in-fact, Angelo T. Bautista, for the amount of P1,995,711.86. As in the auction sale of 30 June 1993, Gumarang and Roger and Angelo Bautista were the only bidders, and the sale price was not paid but was merely credited to the satisfaction of the award contained in the decision.^[29]

On 12 October 1993, NCTEA filed a Motion to Issue Order of Possession asking for the transfer of possession of the properties which it acquired at public auction.^[30] In an Order dated 22 October 1993, the Labor Arbiter denied the motion for the issuance of a writ of possession arguing that NCTEA could not demand possession of the properties because the 12-month period for redemption of the same had not yet lapsed.^[31]

On 1 June 1994, NC filed a Notice of Redemption of Property Sold on Execution alleging that the redemption price (for property covered by TCT No. 98270) plus one percent per month interest thereof, together with the amount of taxes paid, had already been fully settled and delivered directly to the members of NCTEA, who were the real parties in interest, as evidenced by receipts of payments. It prayed that the alleged redemption payment be approved and the necessary Certificate of Redemption be executed. ^[32] The alleged receipts of payments were unsworn/unnotarized.^[33]

Effective 16 June 1994, Labor Arbiter Ricardo N. Olarez was assigned as Officer-in-Charge of NLRC Region II, Regional Arbitration Branch No. II, in place of Labor Arbiter Calasan.^[34]

On 22 June 1994, Labor Arbiter Olarez issued an Order setting the hearing of the Notice of Redemption of Property Sold on Execution on 12 July 1994.^[35] On motion of NC, said hearing was postponed to 20 July 1994 at 10:00 a.m.^[36]

On the scheduled hearing on 20 July 1994, only NCTEA was present, as NC did not appear on time. The Labor Arbiter conducted the hearing asking clarificatory questions, particularly on NCTEA's allegation in its opposition to the notice of redemption that the signatures of some teachers in the alleged direct payments were obtained by duress, under threat of summary dismissal, and that they did not actually receive the amount appearing in the receipts. After 10:20 a.m., the hearing was closed and the motion was already deemed submitted for resolution. When NC arrived at past 10:30 a.m., it was informed that the hearing was already terminated and the motion already submitted for resolution. NC begged the Labor Arbiter to consider the alleged direct payments as substantial compliance with the requirements for the redemption; the Labor Arbiter, in turn, reminded NC that the annexes/exhibits attached to the notice of redemption were not sworn or notarized.^[37]