

SECOND DIVISION

[G.R. No. 125931, September 16, 1999]

**UNION MOTORS CORPORATION, BENITO S. CUA, AND
CHARLOTTE C. CUA, PETITIONERS, VS. THE NATIONAL LABOR
RELATIONS COMMISSION AND PRISCILLA D. GO,
RESPONDENTS.**

D E C I S I O N

QUISUMBING, J.:

This petition for certiorari and prohibition, under Rule 65 of the Rules of Court, seeks to set aside the decision dated March 29, 1996, of the National Labor Relations Commission in NLRC NCR CA No. 008119-95. It also assails the NLRC resolution, dated May 28, 1996, denying petitioners' motion for reconsideration. Petitioners also pray that NLRC desist from further proceedings in said case.

Petitioner Benito S. Cua is the father of Charlotte C. Cua. They are, respectively, the President and Vice-President/Treasurer of petitioner UMC. Hereafter, they will be referred to respectively as Mr. Cua and Ms. Cua. Private respondent Priscilla Go was, originally, the complainant in a case for illegal dismissal filed against petitioners. Hereafter, she will be referred to as Ms. Go.

The facts of the case, as culled from the records, are as follows:

On June 17, 1981, UMC hired Ms. Go as its Administrative and Personnel Manager. On February 13, 1982, she was appointed Treasurer while concurrently serving as Administrative and Personnel Manager.

Seven years later, UMC's Board of Directors effected a top-level corporate revamp. Ms. Cua was appointed Vice-President/Treasurer. Ms. Go was in turn appointed Assistant to the President and Administrative and Personnel Manager by the Board.

^[1] Ms. Go accepted the appointment on the condition that she would report solely and directly to the UMC President, Mr. Cua.

On November 2, 1989, however, Mr. Cua issued an inter-office memorandum advising Ms. Go that she would be under the direct supervision of Ms. Cua, the Vice-President/Treasurer.^[2]

On July 15, 1991, UMC Service Manager Reymundo M. Varilla requested Ms. Go for the assignment of one Analyn Aldea to his department for the duration of her contractual employment. Ms. Go denied the request. The denial was based on the lack of an official written advice from Ms. Cua.^[3]

On July 18, 1991, Ms. Cua issued a memorandum-reminder stating that Ms. Cua was Ms. Go's immediate superior. The memorandum went on to say that "[any]

verbal, written, taped or any other form of communication advice...will constitute official advice..."^[4] Ms. Cua further said that Ms. Go had been given "verbal advice" regarding Aldea's transfer of assignment.

That memorandum prompted Ms. Go to write Mr. Cua regarding her intention to "withdraw" given the escalating level of tension between her and Ms. Cua.^[5]

On July 19, 1991, Ms. Go stopped reporting for work. She claimed she had gone on leave to avoid further clashes between her and Ms. Cua.

On August 7, 1991, Mr. Cua designated one Nancy T. Borrás as Administrative and Personnel Consultant in the absence of Ms. Go. Meanwhile, Ms. Go met with Mr. Cua and UMC Chairman Gilbert Dee, Sr. She was advised to extend her leave until her differences with Ms. Cua could be resolved.

On September 30, 1991, Ms. Go wrote Mr. Cua requesting him to come up with a concrete plan to implement his commitment to draw up a workable arrangement between her and Charlotte Cua.

On November 6, 1991, however, Mr. Cua wrote private respondent a letter advising her that he was accepting her resignation.^[6]

Insisting that she did not resign and hence, an acceptance of her resignation could not be possible, Ms. Go then filed a complaint for constructive/illegal dismissal with the Labor Arbiter. Her case was docketed as NLRC-NCR Case No. 00-01-06745-91. She prayed for reinstatement and payment of backwages, 13th month pay, allowances, and bonuses. She also sought moral damages in the amount of P3 million, exemplary damages of no less than P500,000.00, and attorney's fees equivalent to 10% of the total monetary claims to be awarded her.

In their reply dated February 24, 1992, petitioners denied that Ms. Go was illegally dismissed. They countered that she had abandoned her job after she had expressed her intention to resign on July 18, 1991. This intent was concretized when she stopped reporting for work the following day.

On November 21, 1994, the Labor Arbiter rendered his decision dismissing the private respondent's complaint. The dispositive portion of the decision reads:

"IN THE LIGHT OF THE FOREGOING CONSIDERATIONS, the separation of the complainant from her service, for whatever cause, must be upheld. The strained relation existing between the parties does not favor the continuous stay of the complainant in the respondent corporation. Be that as it may, the respondents are ordered to extend to the complainant, monetary considerations, equivalent to her one month salary for every year of service rendered. The respondents are, likewise, assessed 10% of the financial considerations awarded as attorney's fees. The rest of the complaints are dismissed for lack of merit.

"SO ORDERED."^[7]

Dissatisfied, Ms. Go seasonably appealed the Labor Arbiter's decision to the NLRC. Her appeal was docketed as NLRC NCR CA No. 008119-95. In her Memorandum of

Appeal, she charged the Labor Arbiter with grave error in: (1) failing to hold that she was constructively/illegally dismissed; and (2) failing to appreciate the evidence on record.^[8]

In their Reply/Opposition, petitioners initially argued that she was not dismissed, but had voluntarily resigned and abandoned her employment.^[9] However, in their Supplemental Reply, petitioners switched tracks. They now contended that she was a corporate officer who had been elected/appointed to the position of Assistant to the President/Administrative and Personnel Manager by the UMC Board of Directors. Any issue relating to her removal from the said posts was therefore an intra-corporate dispute.^[10] As such, jurisdiction over the action did not lie with the NLRC but rather with the Securities and Exchange Commission (SEC), pursuant to Section 5 of Presidential Decree No. 902-A which provides:

“SECTION 5. In addition to the regulatory and adjudicative functions of the Securities and Exchange Commission over corporations, partnerships and other forms of associations registered with it as expressly granted under existing laws and decrees, it shall have original and exclusive jurisdiction to hear and decide cases involving:

x x x

[c] Controversies in the election or appointments of directors, trustees, officers, or managers of such corporations, partnerships, or associations.”

Petitioners reinforced their arguments by pointing to this Court’s ruling in *Espino v. NLRC*.^[11] We held in *Espino* that a corporate officer’s dismissal is always a corporate act and/or intra-corporate controversy and that nature is not altered by the reason or wisdom which the Board of Directors may have in taking such action.^[12]

Petitioners then prayed for the dismissal of the case before the NLRC.

On March 29, 1996, the Second Division of the NLRC promulgated its decision in NCR CA No. 008119-95, reversing and setting aside the decision of the Labor Arbiter. The decretal portion of the said decision states:

“WHEREFORE, premises considered, the November 21, 1995 Decision of Labor Arbiter Manuel F. Asuncion is hereby, Reversed and Set Aside and a new one entered finding that complainant-appellant was illegally dismissed. In lieu of reinstatement, respondent Union Motors Corporation is hereby ordered to pay complainant separation pay equivalent to one (1) month pay for every year of service and to pay full backwages computed from date of dismissal (June 19, 1991) up to promulgation of this resolution plus ten percent (10%) of all amounts awarded by way of attorney’s fees.

“SO ORDERED.”^[13]

Petitioners duly filed a motion for reconsideration. Said motion was denied by the NLRC in its resolution dated May 28, 1996.

Unhappy with this turn of events, petitioners filed the instant petition for certiorari