

## SECOND DIVISION

**[ G.R. No. 131750, November 16, 1998 ]**

**FRANCISCO GUICO, JR., DOING BUSINESS UNDER THE NAME  
AND STYLE OF COPYLANDIA SERVICES & TRADING,  
PETITIONER, VS. THE HON. SECRETARY OF LABOR &  
EMPLOYMENT LEONARDO A. QUISUMBING, THE OFFICE OF  
REGIONAL DIRECTOR OF REGION I, DEP'T OF LABOR &  
EMPLOYMENT, ROSALINA CARRERA, ET. AL., RESPONDENTS.**

### DECISION

**PUNO, J.:**

This is a petition for certiorari seeking review of two (2) Orders<sup>[1]</sup> issued by the respondent Secretary of Labor and Employment dismissing petitioner's appeal.

The case started when the Office of the Regional Director, Department of Labor and Employment (DOLE), Region I, San Fernando, La Union, received a letter-complaint dated April 25, 1995, requesting for an investigation of petitioner's establishment, Copylandia Services & Trading, for violation of labor standards laws. Pursuant to the visitorial and enforcement powers of the Secretary of Labor and Employment or his duly authorized representative under Article 128 of the Labor Code, as amended, inspections were conducted at Copylandia's outlets on April 27 and May 2, 1995. The inspections yielded the following violations involving twenty-one (21) employees who are copier operators: (1) underpayment of wages; (2) underpayment of 13th month pay; and (3) no service incentive leave with pay.<sup>[2]</sup>

The first hearing of the case was held on June 14, 1995, where petitioner was represented by Joseph Botea, Officer-in-Charge of the Dagupan City outlets, while the 21 employees were represented by Leilani Barrozo, Gemma Gales, Majestina Raymundo and Laureta Clauna. It was established that a copier operator was receiving a daily salary ranging from P35.00 to P60.00 plus commission of P20.00 per P500.00 worth of photocopying. There was also incentive pay of P20.00 per P250.00 worth of photocopying in excess of the first P500.00.<sup>[3]</sup>

On July 13, 1995, petitioner's representative submitted a Joint Affidavit signed and executed by the 21 employees expressing their disinterest in prosecuting the case and their waiver and release of petitioner from his liabilities arising from non-payment and underpayment of their salaries and other benefits. Individually signed documents dated December 21, 1994, purporting to be the employees' Receipt, Waiver and Quitclaim were also submitted.<sup>[4]</sup>

In the investigation conducted by Hearing Officer Adonis Peralta on July 21, 1995, the 21 employees claimed that they signed the Joint Affidavit for fear of losing their jobs. They added that their daily salary was increased to P92.00 effective July 1, 1995, but the incentive and commission schemes were discontinued. They alleged

that they did not waive the unpaid benefits due to them.<sup>[5]</sup>

On October 30, 1995, Regional Director Guerrero N. Cirilo issued an Order<sup>[6]</sup> favorable to the 21 employees. First, he ruled that the purported Receipt, Waiver and Quitclaim dated December 21 and 22, 1994, could not cause the dismissal of the labor standards case against the petitioner since the same were executed before the filing of the said case. Moreover, the employees repudiated said waiver and quitclaim. Second, he held that despite the salary increase granted by the petitioner, the daily salary of the employees was still below the minimum daily wage rate of P119.00 under Wage Order No. RB-I-03. Thirdly, he held that the removal of the commission and incentive schemes during the pendency of the case violated the prohibition against elimination or diminution of benefits under Article 100 of the Labor Code, as amended. The dispositive portion of the Order states:

"WHEREFORE, premises considered and pursuant to the Rules on the Disposition of Labor Standards Cases in the Regional Offices issued by the Secretary of Labor and Employment on 16 September 1987, respondent Copylandia Services and Trading thru its owner/manager Mr. Francisco Guico, is hereby ORDERED to pay the employees the amount of ONE MILLION EIGHTY ONE THOUSAND SEVEN HUNDRED FIFTY SIX PESOS AND SEVENTY CENTAVOS (P1,081,756.70) representing their backwages, distributed as follows:

- 1. Rosalina Carrera** - P68,010.91
- 2. Joanna Ventura** - 28,568.10
- 3. Mercelita Paredes** - 68,010.91
- 4. Aida Licuanan** - 68,010.91
- 5. Gemma Gales** - 68,010.91
- 6. Clotilda Zarata** - 27,808.33
- 7. Consolacion Miguel** - 65,708.28
- 8. Gemma Macalalay** - 68,010.91
- 9. Wandy Aquino** - 19,559.58
- 10. Laureta Clauna** - 68,010.91
- 11. Josephine Valdez** - 27,808.33
- 12. Leilani Berrozo** - 27,808.33
- 13. Majestina Raymundo** - 68,010.91

<b>14. Theresa Rosario</b>	- 68,010.91
<b>15. Edelyn Maramba</b>	- 68,010.91
<b>16. Yolly Dimabayao</b>	- 40,380.60
<b>17. Vilma Calaguin</b>	- 68,010.91
<b>18. Maila Balolong</b>	- 40,380.60
<b>19. Clarissa Villena</b>	- 27,808.33
<b>20. Maryann Galinato</b>	- 68,010.91
<b>21. Desiree Cabasag</b>	- 27,808.33
<b>Total</b>	<b>P1,081,756.70</b>

and to submit proof of payment to this Office within seven (7) days from receipt hereof. Otherwise, a Writ of Execution will be issued to enforce this Order.

"SO ORDERED."<sup>[7]</sup>

Petitioner received a copy of the Order on November 10, 1995. On November 15, 1995, petitioner filed a Notice of Appeal.<sup>[8]</sup> The next day, he filed a Memorandum of Appeal accompanied by a Motion to Reduce Amount of Appeal Bond and a Manifestation of an Appeal Bond.

In his appeal memorandum,<sup>[9]</sup> petitioner questioned the jurisdiction of the Regional Director citing Article 129 of the Labor Code, as amended,<sup>[10]</sup> and Section 1, Rule IX of the Implementing Rules of Republic Act No. 6715.<sup>[11]</sup> He argued that the Regional Director has no jurisdiction over the complaint of the 21 employees since their individual monetary claims exceed the P5,000.00 limit. He alleged that the Regional Director should have indorsed the case to the Labor Arbiter for proper adjudication and for a more formal proceeding where there is ample opportunity for him to present evidence to contest the claims of the employees. He further alleged that the Regional Director erred in computing the monetary award since it was done without regard to the actual number of days and time worked by the employees. He also faulted the Regional Director for not giving credence to the Receipt, Waiver and Quitclaim of the employees.

In the Motion to Reduce Amount of Appeal Bond,<sup>[12]</sup> petitioner claimed he was having difficulty in raising the monetary award which he denounced as exorbitant. Pending resolution of the motion, he posted an appeal bond in the amount of P105,000.00 insisting that the jurisdiction of the Regional Director is limited to claims of P5,000.00 per employee and there were 21 employees involved in the case.

On November 22, 1995, petitioner also filed a request to hold in abeyance any

action relative to the case for a possible amicable settlement with the employees.

[13]

On January 10, 1996, District Labor Officer Adonis Peralta forwarded a Report showing that the petitioner and most of the 21 employees had reached a compromise agreement. The Release, Waiver and Quitclaim was signed by the following employees and show the following amounts they received, viz:

<b>1. Aida Licuanan</b>	- P3,000.00
<b>2. Clarissa Villena</b>	- 3,000.00
<b>3. Gemma Gales</b>	- 3,000.00
<b>4. Desiree Cabansag</b>	- 3,000.00
<b>5. Clotilda Zarata</b>	- 3,000.00
<b>6. Consolacion Miguel</b>	- 5,000.00
<b>7. Josephine Valdez</b>	- 3,000.00
<b>8. Maryann Galinato</b>	- 5,000.00
<b>9. Theresa Rosario</b>	- 3,000.00
<b>10.Yolly Dimabayao</b>	- 3,000.00
<b>11.Vilma Calaguin</b>	- 3,000.00
<b>12.Gemma Macalalay</b>	- 3,000.00
<b>13.Edelyn Maramba</b>	- 5,000.00
<b>14.Charito Gonzales</b>	- 3,000.00
<b>15.Joanna Ventura</b>	- 3,000.00

Four (4) employees did not sign in the compromise agreement. They insisted that they be paid what is due to them according to the Order of the Regional Director in the total amount of P231,841.06. They were Laureta Clauna, Majestina Raymundo, Leilani Barrozo and Rosalina Carrera.[14]

In a letter[15] dated February 23, 1996, the Regional Director informed petitioner that he could not give due course to his appeal since the appeal bond of P105,000.00 fell short of the amount due to the 4 employees who did not participate in the settlement of the case. In the same letter, he directed petitioner to post, within ten (10) days from receipt of the letter, the amount of P126,841.06 or the