326 Phil. 477

SECOND DIVISION

[G.R. No. 98239, April 25, 1996]

CONSUELO VALDERRAMA, PETITIONER, VS. NATIONAL LABOR RELATIONS COMMISSION, FIRST DIVISION AND MARIA ANDREA SAAVEDRA, RESPONDENTS.

D E C I S I O N

MENDOZA, J.:

On October 27, 1983, Maria Andrea Saavedra, herein private respondent, filed a complaint against the COMMODEX (Phils.), Inc., petitioner Consuelo Valderrama as owner, Tranquilino Valderrama as executive vice president and Jose Ma. Togle as vice president and general manager, for reinstatement and backwages.[1] On December 2, 1986, the Labor Arbiter rendered a decision, finding private respondent to have been illegally dismissed and holding the respondent COMMODEX liable. It was shown that private respondent had been dismissed from her employment due to her pregnancy, contrary to allegations of petitioner and her corespondents therein that the termination of her employment was due to redundancy and retrenchment.[2] The dispositive portion of the Labor Arbiter's decision reads:

> WHEREFORE, judgment is hereby rendered ordering respondent company:
>
> 1. to reinstate complainant to her former position with full backwages at the rate of P1,474.00 per month from the date she was illegally dismissed on 16 March 1983 until actually reinstated without loss of seniority right and other benefits which she could have earned were it not for her illegal dismissal;
>
> 2. to pay complainant moral and exemplary damages in the amount of P20,000.00 and P5,000.00, respectively; and,
>
> 3. to pay complainant attorney's fees equivalent to ten (10%) percent of the total award.

A writ of execution was granted, but it was returned unsatisfied.[3] The sheriff reported that COMMODEX had ceased operation, while the individual officers, who were corespondents in the case, took the position that the writ could not be enforced against them on the ground that the dispositive portion of the decision mentioned only COMMODEX.

Private respondent filed a Motion for Clarification in which she prayed:

> WHEREFORE, it is most respectfully prayed that the dispositive part of the decision be clarified to read as follows:
>
> WHEREFORE, judgment is hereby rendered ordering respondents jointly and severally:
>
> 1.to reinstate complainant to her former position with full backwages at the rate of P 1,474.00 per month from the date she was illegally dismissed on 16 March 1983 until actually reinstated without loss of seniority right and other benefits which she could have earned were it not for her illegal dismissal;
>
> 2.to pay complainant moral and exemplary damages in the amount of P20,000.00 and P5,000.00, respectively; and
>
> 3.to pay complainant attorney's fee equivalent to ten (10%) percent of the total award.

Private respondent contended that the body of the decision clearly held the petitioner and her corespondents therein to be liable and that

> [t]herefore, this Office is not precluded from correcting the inadvertence by clarifying the words "respondent company" which ought to have been "respondents jointly and severally" in order to make the fallo or dispositive part correspond or correlate with the body of the final decision, considering that the unjust dismissal of the complainant constitutes tort or quasidelict. (Article 2176, New Civil Code).

Petitioner and her corespondents therein filed an opposition to the motion for clarification. They contended that the decision of the Labor Arbiter had become final and executory and could no longer be amended.[4]

In reply private respondent argued that no amendment of a final decision was being sought but only the correction of a mistake or a clarification of an ambiguity because "the exclusion [of the other respondents] in the dispositive part of the decision is merely a clerical error or mistake, since in the body of the decision they [petitioner and corespondents therein] were included, hence said error or mistake can yet be corrected even if the decision is already final."[5]

On April 12, 1988, the Labor Arbiter, citing our ruling in *A. C. Ransom Labor Union-CCLU v. NLRC,*[6] which held the president of a corporation responsible and personally liable for payment of backwages, granted the private respondent's motion and set it for hearing for reception of evidence of the relationship of the petitioner and her corespondents therein to COMMODEX. Private respondent then presented the Articles of Incorporation, List of Stockholders and the General Information Sheet of COMMODEX,[7] which showed that of the 2,000 shares of stocks of the corporation, Consuelo Valderrama owned 1,993[8] and that she was chairman of the board and president of respondent company.[9]

On July 25, 1988, the Labor Arbiter declared petitioner Consuelo Valderrama liable for the payment of the monetary awards contained in the dispositive portion of the decision dated December 2, 1986,[10] thus:

> WHEREFORE, respondent Consuelo Valderrama, as Chairman of the Board and President of respondent COMMODEX (Phils.), Inc. who is originally impleaded is hereby deemed included as party respondent and she should, as she is hereby held liable for the awards to complainant Maria Andrea L. Saavedra.
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> To obviate the further issuance of a Writ of Execution against her, she should, as she is hereby ordered to pay aforenamed complainant the monetary awards ordained in the Decision herein.
>
> SO ORDERED.

Petitioner appealed to the NLRC. In a resolution dated February 26, 1991, the First Division of the NLRC affirmed the Labor Arbiter's order and dismissed the appeal for lack of merit.[11] Hence, this petition. Petitioner alleges that:

> 1. The Decision dated 02 December 1986 has become final and executory, and, hence, can no longer be substantially amended as to include liability on the part of herein Petitioner, who was originally not named as liable in the dispositive portion of the said Decision; and
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> 2. Petitioner cannot and should not be held personally liable jointly and severally with Commodex (Phils.), Inc. for the awards adjudged in favor of herein Private Respondent Saavedra.

We find these contentions to be without merit.

First. The rule that once a judgment becomes final it can no longer be disturbed, altered, or modified is not an inflexible one. It admits of exceptions, as where facts and circumstances transpire after a judgment has become final and executory which render its execution impossible or unjust. In such a case the modification of the decision may be sought by the interested party and the court will modify and alter the judgment to harmonize it with justice and the facts.[12]

In the case at bar, modification of the judgment is appropriate considering that the company is no longer in operation and there is no showing that it has filed bankruptcy proceedings in which private respondent might file a claim and pursue her remedy under Article 110 of the Labor Code. Holding petitioner personally liable for the judgment in this case is eminently just and proper considering that, although the dispositive portion of the decision mentions only the "respondent company," the text repeatedly mentions "respondents" in assessing liability for the illegal dismissal of private respondent. For indeed petitioner and others were respondents below and there can be no doubt of their personal liability. The mere happenstance that only

the company is mentioned should not, therefore, be allowed to obscure the fact that in the text of the decision petitioner and her corespondents below were found guilty of having illegally dismissed private respondent and of claiming that private respondent's employment was terminated because of retrenchment, when the truth was that she was dismissed for pregnancy. Hence they should be held personally liable for private respondent's reinstatement with backwages.[13]

"Indeed it is well said that to get the true intent and meaning of a decision, no specific portion thereof should be resorted to but same must be considered in its entirety (Escarella vs. Director of Lands, 83 Phil. 491; 46 Off. Gaz. No. 11 p. 5487; I Moran's Comments on the Rules of Court, 1957 ed., p. 478)."[14]

Second. Not only is it clear by reference to the text of the decision of the Labor Arbiter that COMMODEX as well as its officers were being held liable so that no substantial amendment of the decision was really made by the Labor Arbiter in ordering petitioner to comply with that decision, but under the Labor Code, petitioner is herself considered an employer. In *A. C. Ransom Labor Union-CCLU v. NLRC,*[15] we held:

> (a) Article 265 of the Labor Code, in part, expressly provides:
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> Any worker whose employment has been terminated as a consequence of an unlawful lockout shall be *entitled to reinstatement with full backwages.*
>
> Article 273 of the Code provides that:
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> Any person violating any of the provisions of *Article 265* of this Code shall be punished by a fine of not exceeding five hundred pesos and/or imprisonment for not less than one (1) day nor more than six (6) months.
>
> (b) How can the foregoing provisions be implemented when the employer is a corporation? The answer is found in Article 212 (c) of the Labor Code which provides:
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> (c) "Employer" includes *any person acting in the interest of an employer, directly or indirectly.* The term shall not include any labor organization or any of its officers or agents except when acting as employer.
>
> The foregoing was culled from Section 2 of RA 602, the Minimum Wage Law. Since RANSOM is an artificial person, it must have an *officer* who can be presumed to be the *employer,* being the "person acting in the interest of (the) employer" RANSOM. The corporation, only in the technical sense, is the employer.
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> The responsible officer of an employer corporation can be held personally, not to say even criminally, liable for the non-payment of back wages. That is the policy of the law. In the Minimum Wage Law, Section 15 (b) provided: