SECOND DIVISION

[G.R. No. 213961, January 22, 2020]

PRIME STARS INTERNATIONAL PROMOTION CORPORATION AND RICHARD U. PERALTA, PETITIONERS, VS. NORLY M. BAYBAYAN AND MICHELLE V. BELTRAN, RESPONDENTS.

D E C I S I O N

INTING, J.:

This is a Petition for Review on *Certiorari*[1] filed pursuant to Rule 45 of the Rules of Court seeking to reverse and set aside the Decision[2] dated January 14, 2014 and the Resolution[3] dated August 14, 2014 of the Court of Appeals (CA) in CA-G.R. SP No. 119224 which dismissed the petition filed by Prime Stars International Promotion Corporation (Prime Stars) and Richard U. Peralta (Peralta) (collectively, petitioners).

The Antecedents

Prime Stars is a local recruitment agency with Taiwan Wacoal Co., Ltd., (Wacoal) and Avermedia Technologies Inc. (Avermedia) as foreign principals. Peralta is one of the officers of Prime Stars.

Norly M. Baybayan (Baybayan) was deployed by Prime Stars to Wacoal on June 12, 2007 for a contract period of 24 months or two years, with a monthly salary of NT$15,840.00 per month.[4] However, he was only paid NT$9,000.00 a month and upon inquiry, was informed that the amount of NT$4,000.00 was being deducted from his salary for expenses for his board and lodging. Since he still had debts to pay back home, he finished the contract and returned to the Philippines on May 19, 2009.[5] He then instituted a complaint for underpayment of salaries and the reimbursement of his transportation expenses against petitioners.[6] He further asserted that the petitioners collected from him an exhorbitant placement fee.

On the other hand, Michelle V. Beltran (Beltran) was likewise recruited by Prime Stars and was deployed to Avermedia as an "operator" who assembles TV boxes and USB. Her contract duration was for two years with a monthly salary of NT$17,280.00.[7] She was deployed on June 22, 2008 and was under the supervision of a Taiwanese employee named "Melody." After a year, her services was abruptly and unceremoniously terminated by her supervisor and was immediately repatriated to the Philippines on July 3, 2009.[8]

Beltran then instituted a complaint for illegal dismissal and sought for the payment of

the unexpired portion of her contract, the refund of her placement fee, repatriation expenses, plus damages and attorney's fees against herein petitioners.[9]

The complaints of Baybayan and Beltran (collectively, respondents) were then consolidated.

In response,[10] petitioners denied that Baybayan was underpaid as his payslips for the months of March and April 2009 indicated that he received a monthly salary of NT$17,280.00 during his employment with Wacoal.[11] Petitioners explained that Baybayan signed an Addendum to the Employment Contract (Addendum),[12] which authorized the deduction of the amount of NT$4,000.00 as payment for his monthly food and accomodation. In the same Addendum, Baybayan was apprised that the transportation expenses for his round trip tickets from the Philippines to Taiwan shall be at his own expense.[13] Petitioners further explained that Baybayan paid P26,769.00 as placement fee and P22,190.00 as documentation fee, and supported by an official receipt, sworn statement of Baybayan, Written Acknowledgment, Foreign Worker's Affidavit Regarding Expenses Incurred For Entry Into the Republic of China To Work and the Wage and Salary and Overseas Contract Worker's Questionnaire which he personally accomplished.[14]

With respect to Beltran, petitioners contended that it was Beltran who voluntarily preterminated her contract for personal reasons. According to petitioners, Beltran approached the management and expressed her intent to return to the Philippines as evidenced by her handwritten statement which she duly signed on July 4, 2009. Petitioners admitted that it charged Beltran P25,056.00 as placement fee and P20,560.00 as documentation fee, and supported by an official receipt, her sworn statement, written acknowledgment, Foreign Worker's Affidavit, and Overseas Contract Worker's Questionnaire.[15]

In Beltran's Reply,[16] she countered that she signed the pretermination agreement under duress since she was helpless in a foreign country, and was afraid that her refusal might endanger her status, liberty, and limbs.[17] She further averred that her supervisor Melody discriminated her, and that it was Melody who dictated the words she used in the Worker Discontinue Employment Affidavit she executed.[18]

The Ruling of the Labor Arbiter (LA)

In the Decision[19] dated March 30, 2010, LA Edgardo M. Madriaga dismissed the consolidated cases for lack of merit.[20] The LA found substantial documentary evidence to prove that Baybayan was paid all the salaries and benefits pursuant to his employment contract.[21] In the same vein, the LA gave more weight to the evidence presented by petitioners that Beltran preterminated her employment contract for reasons of her own and was thus not entitled to her money claims.[22]

Respondents appealed the dismissal citing that it was grave error on the part of the LA

to deny the award of their money claims despite evidence to the contrary.[23]

The Ruling of the National Labor Relations Commission (NLRC)

In the Decision[24] dated December 21, 2010, the NLRC reversed and set aside the findings of the LA and ruled in favor of respondents.[25] It struck down as contrary to law the Addendum of respondents since it diminished the benefits provided in the original contract approved and submitted to the Philippine Overseas Employment Administration (POEA).[26] The NLRC further gave credence to respondents' assertion that they were forced to sign the Addendmn for fear of losing their employment since they were already in a foreign land, aside from their outstanding loans which they obtained to support the expenses for their deployment.[27]

The NLRC was, likewise, convinced that Beltran was illegally dismissed. For the NLRC, Beltran's immediate filing of the complaint four days after she was repatriated belied petitioners' allegation that she voluntarily resigned and preterminated her employment contract. Moreover, the circumstances surrounding Beltran's execution of the notification of termination of her employment would suggest that she was:being asked to go home by her employer who had control over her.[28]

The dispositive portion of the Decision reads, *viz*.:

> WHEREFORE, the decision of the Labor Arbiter is hereby REVERSED and SET ASIDE and a new one entered finding complainant Michele Beltran to have been illegally dismissed and that ordering all Respondents to solidarily pay Complainants the following in Philippines peso at the rate of exchange prevailing at the time of payment.

Complainant Michelle Beltran		
1. full unexpired portion of contract (NT$17,280.00 x 12)		- NT$207,360
2. salary differentials (NT$4,000 x 12)		- NT$48,000
3. refund of placement fee	- P25,000.00	
4. refund of plane ticket	- P10,000.00	
5. moral damages	- P10,000.00	
6. exemplary damages	- P 5,000.00	
sub-total	- P50,000.00	- NT$255,360
7. 10% attorney's fees	- P 5,000.00	25,536

TOTAL	- P55,000.00	-NT$280,896
Complainant Norly M. Baybayan		
1. salary differentials (NT$6,840 x 24 months)		- NT$164,160
2. refund of transportation fare to and from Taiwan	- P10,000.00	
3. moral damages	- P10,000.00	
4. exemplary damages	- P 5,000.00	
sub-total	- P25,000.00	- NT$164,160
5. 10% attorney's fees	- P 2,500.00	16,416
TOTAL	- P27,500.00	- NT$180,576

SO ORDERED.[29]

Aggrieved, petitioners filed a motion for reconsideration which the NLRC denied for lack of merit in a Resolution[30] dated February 23, 2011. Petitioners then elevated the case to the CA raising grave abuse of discretion tantamount to lack of jurisdiction in the NLRC's reversal of the LA's Decision despite evidence on record.[31]

The Ruling of the CA

The CA dismissed the petition filed by petitioners in the absence of any justifiable reason to reverse the factual findings and conclusions of law of the NLRC as supported by substantial evidence.[32] It affirmed the findings of the NLRC, but modified the refund of Beltran's placement fee to P25,056.00 with interest of 12% *per annum*.[33]

The Issues

The issues brought to the Court for resolution are as follows:

(a) whether Beltran was illegally dismissed from employment;

(b) whether there was underpayment of salaries of respondents;

(c) whether the transportation expenses of respondents to Taiwan should be reimbursed;

(d) whether respondents should be awarded moral and exemplary damages and attorney's fees; and

(e) whether petitioner Peralta should be solidarily liable with Prime Stars.

Simply put, the issues boil down to whether the CA erred in holding petitioners liable for respondents' money claims pursuant to their contracts of employment.

The Ruling of the Court

The Court finds no merit in the petition.

The issues raised herein by petitioners are essentially factual. It is an elementary principle that the Court is not a trier of facts.[34] Judicial review of labor cases must not go beyond the evaluation of the sufficiency of the evidence upon and as such, the findings of fact and conclusions of law of the NLRC are generally accorded not only great weight and respect but even clothed with finality and deemed binding on the Court as long as they are supported by substantial evidence.[35] However, where there are variance and conflicting factual findings between the LA and the NLRC, as in the case at bench, the Court deems it necessary to reassess these factual findings for the just resolution of the case.

Beltran was illegally dismissed.

Petitioners maintain that Beltran voluntarily preterminated her contract of employment for personal reasons; thus, it precluded her from recovering the unexpired portion of her employment contract. They also contest Beltran's bare testimonies and allegations of undue pressure and duress for being unsubstantiated and in contrast to petitioners' documentary evidence which are Beltran's duly signed Mutual Contract Annulment Agreement and Worker Discontinue Employment Affidavit.

The Court is not convinced.

As similarly declared by the NLRC and the CA, petitioners' complete reliance on Beltran's alleged voluntary execution of the Mutual Contract Annulment Agreement and the Worker Discontinue Employment Affidavit to support their claim that Beltran voluntarily preterminated her contract is unavailing considering that the filing of the complaint for illegal dismissal is inconsistent with resignation.[36] The Court finds it highly unlikely that Beltran would just quit even before the end of her contract after all the expenses she incurred and still needed to settle and the sacrifices she went through in seeking financial upliftment. It is incongruous for Beltran to simply give up her work, return home, and be unemployed once again given that so much time, effort, and money have already been invested to secure her employment abroad and enduring the tribulations of being in a foreign country and away from her family.

Apropos to the foregoing, the Court further adheres to the observation of both the NLRC and the CA that the wordings of Beltran's relinquishment of her contract of employment were ambiguous and doubtful. Contrary to the petitioners' assertion, the burden of proving that· Beltran voluntary preterminated her contract falls upon

petitioners as the employer. The employer still has the burden of proving that the resignation is voluntary despite the employer's claim that the employee resigned,[37] which petitioners failed to discharge.

Baybayan and Beltran are entitled to salary differentials and refund of transportation expenses.

Petitions admit that the employment contracts of respondents were indeed amended, but posit that the Addendum, while apparently do not appear to contain any indication of POEA approval, actually contained provisions which have been approved by the POEA as evidenced by the respondents' Foreign Worker's Affidavits.

The petitioners' argument deserves scant consideration.

Paragraph (i) of Article 34 of the Labor Code of the Philippines prohibits the substitution or alteration of employment contracts approved and verified by the Department of Labor and Employment (DOLE) from the time of the actual signing thereof by the parties up to and including the period of expiration of the same without the approval of the DOLE.

Furthermore, Republic Act No. (RA) 8042, otherwise known as the Migrant workers and Overseas Filipinos Act of 1995, explicitly prohibits the substitution or alteration to the prejudice of the worker of employment contracts already approved and verified by the DOLE from the time of actual signing thereof by the parties up to and including the period of the expiration of the same without the approval of the DOLE.[38]

Thus, the Court agrees with the findings of the CA in this wise:

> We stress, at the outset, that the numerous documentary evidence presented by petitioners which private respondents entered into with the foreign principals are not valid and binding upon private respondents. Specifically, the Addendum to the employment contract whereby private respondents were made to shoulder their food and accommodation in the amount of NT$4,000 per month, as well as transportation fare, to and from Taiwan, is in contravention of the Employment Contract executed by the parties and duly approved by the Philippine Overseas Employment Administration (POEA). Article IV of the Contract states that private respondents are entitled to free food and accommodation for the duration of the contract. It further states that the employer shall provide the employee with an economy class air ticket from the country of origin to Taiwan and upon completion of the contract, the employer shall provide the ticket back to the country of origin. In fact, these provisions constitute the minimum requirements for contracts of employment of land-based overseas Filipino workers, pursuant to Section 2, Rule 1, Part V of the POEA Rules and Regulations Governing the Recruitment and Employment of Land-based Overseas Workers, thus -
>
> > "Section 2. Minimum Provisions of Employment Contract. Consistent with its welfare and employment facilitation

> objectives, the following shall be considered minimum requirements for contracts of employment of land-based workers:
>
> x x x x x x x x x
>
> b. Free transportation to and from the worksite, or offsetting benefit;
>
> c. Free food and accommodation, or offsetting benefit;
>
> x x x x x x x x x"

Following therefor, the explicit provisions of the employment contracts of private respondents, the same cannot be altered or modified by the Addendum without the prior approval of the POEA. Indeed, while the parties may stipulate on other terms and conditions of employment as well as other benefits, the stipulations should not violate the minimum requirements required by law as these would be disadvantageous to the employee. Section 3, Rule 1, Part V of the POEA Rules and Regulations Governing the Recruitment and Employment of Land-based Overseas workers is pertinent, to wit:

> "Section 3. Freedom to Stipulate. Parties to overseas employment contracts are allowed to stipulate other terms and conditions and other benefits not provided under these minimum requirements; provided the whole employment package should be more beneficial to the worker than the minimum; provided that the same shall not be contrary to law, public policy and morals, and provided further, that Philippine agencies shall make foreign employers aware of the standards of employment adopted by the Administration."

Moreover, Section 15 of R.A. No. 8042, otherwise known as the Migrant Workers and Overseas Filipinos Act of 1995 categorically provides that the repatriation of the worker is the primary responsibility of the agency that recruited and deployed him, unless the repatriation is due to the fault of the worker. We find that both Beltran and Baybayan's repatriation were due to illegal dismissal and expiration of employment contract, respectively, as will be discussed hereunder.[39] (Citations and emphasis omitted.).

A careful and assiduous review of the record of the case would yield to no other conclusion than that the Addendum is contrary to law and public policy considering that the minimum provisions for employment of respondents were not met, and that there was diminution of their benefits which were already guaranteed by law and granted in their favor under their POEA-approved contracts of employment.

The Addendum, absent the approval of the POEA, is not valid and executory as against respondents. The clear and categorical language of the law likewise imposes upon foreign principals minimum terms and conditions of employment for land-based

overseas Filipino workers, which include basic provisions for food, accommodation and transportation. The licensed recruitment agency shall also, prior to the signing of the employment contract, inform the overseas Filipino workers of their rights and obligations, and disclose the full terms and conditions of employment, and provided them with a copy of the POEA approved contract, to give them ample opportunity to examine the san1e.[40]

Award of moral and exemplary damages, and attorney's fees.

The Court finds no cogent reason to disturb the award of damages and attorney's fees in favor of respondents considering that the acts of petitioners were evidently tainted with bad faith. Petitioners' failure to comply with the stipulations on the POEA-approved employment contracts of respondents with regard to salaries and transportation expenses, guaranteed under our labor laws, constituted an act oppressive to labor and more importantly, contrary to law and public policy. Petitioners even tried to justify the execution and validity of the Addendum and cloak the latter as legal and binding through respondents' execution of Foreign Worker's affidavits. However, the affidavits of respondents explicitly indicated that their monthly wage/salary shall be NT$17,280.00 for Beltran and NT$15,840.00 for Baybayan.[41] There was nothing in the mentioned affidavits which would indicate that there would be deductions to respondents' salaries. Indeed, the Court finds appalling petitioners' circumvention of our labor laws and the intentional diminution of employee's benefits guaranteed by our laws to land-based overseas workers-indicative of petitioners' exercise of bad faith and fraud in their dealings with Filipino workers.

As regards Beltran's summary dismissal from employment, there was· nothing "voluntary" in putting words into Beltran's own mouth in the guise of her handwritten statement of resignation. Petitioners' attempt to demonstrate voluntariness fails since "cooperate" is more of an imposition coming from the employer rather than from a disadvantaged overseas employee. The execution of the documents was indeed plainly oppressive and violative of Beltran's security of tenure. Veritably, the award of moral and exemplary damages is sufficient to allay the sufferings experienced by respondents and by way of example or correction for public good, respectively.

Peralta is solidarily liable with Prime Stars.

Peralta is jointly and severally liable with Prime Stars. Section 10 of RA 8042 mandates solidary liability among the corporate officers, directors, partners and the corporation or partnership for any claims and damages that may be due to the overseas workers, *viz*.:

> Section 10. *Monetary Claims*. - x x x
>
> The liability of the principal/employer and the recruitment/placement agency for any and all claims under this section shall be joint and several. This provision shall be incorporated in the contract for overseas employment and shall be a condition precedent for its approval. The performance bond to be filed by the recruitment/placement agency, as provided by law, shall be answerable for all money claims or damages that may be awarded to the

> workers. If the recruitment/placement agency is a juridical being, the corporate officers and directors and partners as the case may be, shall themselves be jointly and solidarily liable with the corporation or partnership for the aforesaid claims and damages.
>
> x x x x

Legal interest should be imposed on the monetary awards.

When there is a finding of illegal dismissal and an award of backwages and separation pay, the decision also becomes a judgment for money from which another consequence flows-the payment of legal interest in case of delay imposable upon the total unpaid judgment amount, from the time the decision became final.[42] Applying the principles laid down in the case of *Nacar v. Gallery Frames, et al.*,[43] respondents shall receive legal interest of 6% *per annum* to be imposed on their total monetary awards computed from finality of judgment until full satisfaction thereof.

On a final note, it is a time-honored rule that in controversies between a worker and his employer, doubts reasonably arising from the evidence, or in the interpretation of agreements and writing should be resolved in the worker's favor.[44] The policy of the State is to extend the applicability of the decree to a greater number of employees who can avail of the benefits under the law, which is in consonance to giving maximum aid and protection to labor.[45] Accordingly, the Court upholds the solidary liability of petitioners against respondents' money claims as discussed above.

WHEREFORE, the petition is **DENIED**. The Decision dated January 14, 2014 and the Resolution dated August 14, 2014 of the Court of Appeals in CA-G.R. SP No. 119224 are **AFFIRMED** with **MODIFICATION** in that legal interest of 6% *per annum* shall be additionally imposed on the total monetary awards to be computed from the finality of this Decision until its full satisfaction.

SO ORDERED.

Perlas-Bernabe, Senior Associate Justice, (Chairperson), and *Delos Santos, JJ.*, concur.
A. Reyes, Jr., J., on official leave.
Hernando, J., on official leave.

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[1] *Rollo*, pp. 15-39.

[2] *Id.* at 44-64; penned by Associate Justice Noel G. Tijam (a retired member of the Court) with Associate Justices Priscilla J. Baltazar-Padilla and Agnes Reyes-Carpio, concurring.

[3] *Id.* at 66-68.

[4] *Id.* at 72-73.

[5] *Id.* at 88-89.

[6] *Id.* at 86-94.

[7] *Id.* at 163, 181.

[8] *Id.* at 181.

[9] *Id.* at 180-186.

[10] *Id.* at 95-104.

[11] *Id.* at 98-99.

[12] *Id.* at 76.

[13] *Id.* at 101.

[14] *Id.* at 99-101.

[15] *Id.* at 200-201.

[16] *Id.* at 189-195.

[17] *Id.* at 189.

[18] *Id.* at 190-191.

[19] *Id.* at 117-135.

[20] *Id.* at 135.

[21] *Id.* at 134.

[22] *Id.* at 134-135.

[23] *Id.* at 136-146 and 221-229.

[24] *Id.* at 240-259; penned by Commissioner Teresita D. Castillon-Lora with Presiding Commissioner Raul T. Aquino and Commissioner Napoleon M. Menese, concurring.

[25] *Id.* at 257.

[26] *Id.* at 250.

[27] *Id.* at 251.

[28] *Id.* at 253-254.

[29] *Id.* at 257-258.

[30] *Id.* at 274-275; penned by Commissioner Teresita D. Castillon-Lora with Presiding Commissioner Raul T. Aquino and Commissioner Napoleon M. Menese, concurring.

[31] *Id.* at 276-303.

[32] *Id.* at 44-64.

[33] *Id.* at 63.

[34] *G & M (Phil.), Inc. v. Rivera*, 542 Phil. 175, 179 (2007).

[35] *Id.*, citing *Ass'n of Integrated Security Force of Bislig (AISFB)-ALU v. Court of Appeals*, 505 Phil. 10, 23-24 (2005).

[36] See *Cheniver Deco Print Technics Corp. v. NLRC*, 382 Phil. 651, 659 (2000); *Valdez v. NLRC*, 349 Phil. 760, 767-768 (1998); *Great Southern Maritime Services Corp. v. Acuña*, 492 Phil. 518, 531 (2005).

[37] *Pascua v. Bank Wise, Inc.*, G.R. Nos. 191460 & 191464, January 31, 2018, 853 SCRA 446, 460.

[38] *Datuman v. First Cosmopolitan Manpower and Promotion Services, Inc.*, 591 Phil. 662, 674 (2008).

[39] *Rollo*, pp. 54-57.

[40] Section 137, Rule I, Part V of the Revised POEA Rules and Regulations Governing the Recruitment and Employment of Land-Based Overseas Filipino Workers of 2016.

[41] *Rollo*, pp. 81, 172.

[42] *University of Pangasinan, Inc. et al. v. Fernandez, et al.*, 746 Phil. 1019, 1041-1042 (2014), citing *Gonzales v. Solid Cement Corporation, et al.*, 697 Phil. 619, 638 (2012).

[43] 716 Phil. 267 (2013).

[44] *Acuña v. Court of Appeals*, 523 Phil. 325, 335 (2006), citing *Prangan v. NLRC*, 351 Phil. 1070, 1078 (1998).

[45] *Id.*, citing *Sarmiento v. ECC*, 228 Phil. 400, 405 (1986).