Title: Maricalum Mining Corporation vs. Ely G. Florentino et al. and Ely Florentino et al. vs. National Labor Relations Commission – 7th Division, et al.

Facts:
This consolidated case roots back to the Philippine government's disposition of Maricalum Mining Corporation (Maricalum Mining), a non-performing asset then owned by the Philippine National Bank (PNB) and the Development Bank of the Philippines (DBP), which was eventually privatized. G Holdings, Inc. (G Holdings) acquired 90% of Maricalum Mining's shares and financial liabilities through a Purchase and Sale Agreement (PSA) with the government's Asset Privatization Trust (APT).

Post-transfer, G Holdings assumed complete control over Maricalum Mining. Subsequently, several former employees of Maricalum Mining formed manpower cooperatives which entered into agreements with Maricalum Mining to supply labor and services. After a few years, G Holdings undertook foreclosure proceedings on mortgaged properties of Maricalum Mining due to non-payment under the terms of the promissory notes. These properties were transferred to G Holdings.

In September 2010, a group of workers filed complaints with the Labor Arbiter (LA) against G Holdings, their respective cooperatives, and Maricalum Mining for illegal dismissal and various monetary claims. The LA ruled in favor of the complainants, concluding that G Holdings, the manpower cooperatives, and Maricalum Mining were liable for labor-only contracting. On appeal, the National Labor Relations Commission (NLRC) modified the decision, placing liability solely on Maricalum Mining as G Holdings and Maricalum were found to have separate corporate personalities. The Court of Appeals (CA) affirmed the NLRC's decision.

Issues:
1. Whether the CA erred in refusing to re-evaluate the facts concerning the NLRC decision.
2. Whether the CA correctly affirmed the NLRC's findings on the monetary award and its refusal to remand the case for re-computation.
3. Whether the CA erred in disregarding Maricalum Mining's intervention at the appellate stage even though it was not a real party-in-interest.
4. Whether the appellate court correctly affirmed the NLRC's decision allowing the piercing of the corporate veil against Maricalum Mining but not against Sipalay Hospital.

Court's Decision:

The Supreme Court upheld the CA decision, confirming the Court's endorsement of the NLRC ruling. It articulated that the separate corporate personality of G Holdings should not be disregarded since evidence did not demonstrate the requisite control, wrong, and causation to warrant the piercing of the corporate veil.

Doctrine:
The principle of piercing the corporate veil applies when the corporate personality is used to perpetrate fraud or avoid an existing obligation. However, control by one corporation over another is not singularly indicative of an intent to perpetrate illegality or fraud. Piercing requires a showing of control used to commit a wrong, which results in the causation of harm.

Class Notes:
– Piercing the corporate veil requires the concurrence of control, wrongful use of control, and proximate causation of harm.
– Corporations are treated as separate legal entities with distinct personalities from their shareholders and other corporations with which they may be related.
– The burden to prove justification for piercing the corporate veil lies on the party alleging it.

Historical Background:
This case highlights the legal complexities that emerge when assets of government corporations are privatized. It demonstrates the consequences in labor law when corporate relations and agreements result in disputes over liabilities, particularly how subsequent corporate transactions influence the enforcement of labor rights. The conflict between G Holdings and Maricalum Mining employees reflects recurring challenges in distinguishing corporate ownership and labor entanglement in the Philippines' dynamic corporate landscape.