

Title

Symex Security Services, Inc. and Rafael Y. Arcega v. Magdalino O. Rivera, Jr. and Roberto B. Yago

Facts

Magdalino O. Rivera, Jr. and Roberto B. Yago, security guards employed by Symex Security Services, Inc. since May 1999, were assigned at Guevent Industrial Development Corporation's premises. Their work consisted of 12-hour shifts, six days a week, without overtime, rest days, service incentive leave pay, proper holiday premiums, or 13th month pay. Their wages barely met the minimum wage.

On February 25, 2003, they filed a complaint for their entitlements' nonpayment. On March 13, 2003, Capt. Cura of Symex summoned them to the office the next day. There, they were informed about their relief from their Guevent post due to a downsizing order from the client. Capt. Cura advised them to return on March 17, 2003, for reassignment.

Upon their return, Capt. Cura conditioned their reassignment on the withdrawal of their labor complaint, providing them with a sample affidavit of desistance. When Rivera and Yago refused, Capt. Cura announced their dismissal. Consequently, they amended their complaint to include illegal dismissal.

Symex and Arcega, its president, contended that Rivera and Yago were never dismissed but were simply part of Symex's pool of guards. Symex claimed the two refused new postings, while Rivera and Yago alleged this was never offered, asserting wrongful termination.

The Labor Arbiter dismissed the illegal dismissal complaint but granted 13th month pay proportionately. The NLRC then overturned this, finding for illegal dismissal, ordering substantial penalties, backwages, monetary claims, as well as moral and exemplary damages. The CA affirmed the NLRC's ruling in full, dismissing Symex's certiorari petition. Symex brought the matter before the Supreme Court.

Issues

The key issues are:

1. Whether the NLRC's finding of illegal dismissal was correct.
2. Whether Symex and Arcega are liable for various compensations, including backwages and damages.
3. Whether Arcega, as Symex's president, should be held solidarily liable with the company.

Court's Decision

The Supreme Court agreed with the CA that the NLRC didn't commit grave abuse of discretion. It held that respondents were illegally dismissed, and found Symex's argument—Rivera and Yago's refusal of reassignment—unsubstantiated. The Court specified that the NLRC's and CA's decisions were binding and emphasized that factual findings of labor tribunals are typically accorded respect and finality.

The Court affirmed the award of separation pay due to the doctrine of strained relations, making reinstatement untenable. Additionally, the Court affirmed the award for money claims, moral and exemplary damages, placing the onus on Symex to rebut the prima facie case established by the respondents' evidence, which the company failed to do.

The Court, however, absolved Arcega of personal liability, finding no evidence of bad faith or gross negligence on his part, per Section 31 of the Corporation Code.

Doctrine

Employers bear the burden of proof when an employee alleges wrongful dismissal. When a labor standard violation is alleged by an employee, it is the employer's burden to prove that such claims have been met. Additionally, for a corporate officer to be solidarily liable with the corporation for labor obligations to its employees, bad faith or willful assent to wrongful acts must be clearly established.

Class Notes

- Illegal Dismissal: Factual finding by NLRC or CA typically accepted by SC.
- Floating Status and Termination: Placement on floating status is not per se dismissal; good faith necessary.
- Burden of Proof: Initially on employees; shifts to employer after a prima facie case is established.
- Doctrine of Strained Relations: Supports award of separation pay when reinstatement is unfeasible.
- Solidary Liability: Requires clear evidence of an officer's bad faith or gross negligence to impose personal liability beyond corporate responsibility.

Relevant Provisions:

- Corporation Code of the Philippines, Section 31: Imposes personal liability on directors/officers for unlawful acts or gross negligence.
- Labor Code of the Philippines, Articles 298-299: Discusses termination of employment and

payment of separation benefits.

Historical Background

The case takes place in the broader context of Philippine labor law, which is oriented towards protecting employees from abuses by employers, particularly with respect to dismissal and the safeguarding of employee benefits. As a result, tribunals and courts are often tasked with balancing the legitimate business interests of employers against the labor rights and protections due to employees, interpreting statutes and jurisprudence to ensure substantive and procedural due process for workers.