

****Title:** Evelina E. Belarso vs. Quality House, Inc. and Carmelita Go – G.R. No. (case number)******

****Facts:****

1. Quality House, Inc. (QHI), a manufacturer of leather products, employed Evelina E. Belarso on November 14, 1976. Initially assigned to the belt department, Belarso was transferred to the raw materials warehouse in 1986 and promoted to supervisor on December 7, 1987.
2. As supervisor, Belarso was responsible for receiving, storing, and distributing raw materials to various departments.
3. On December 10, 2010, during a routine inspection at the QHI gate, L/G Lolita Salamanca discovered a belt buckle in Belarso's bag without a gate pass.
4. Belarso denied knowledge of the belt buckle in her bag, asserting it was framed by other employees.
5. On December 13, 2010, QHI placed Belarso on preventive suspension and required her to submit a written explanation within 48 hours.
6. Belarso submitted a written explanation on December 15, denying the accusation but admitting her bag was visible and could be accessed by others.
7. A dialogue was held on January 4, 2011, which yielded no new evidence from Belarso aside from her claim of being framed.
8. On January 6, 2011, QHI issued a "Rule Violation Memo," finding Belarso's defense unsatisfactory and terminating her employment effective January 7, 2011.
9. Belarso filed a complaint for illegal dismissal on January 5, 2011, alleging dismissal on December 13, 2010.
10. Labor Arbiter found Belarso's dismissal illegal due to lack of credible evidence and ordered QHI to compensate her with back wages and separation pay.
11. QHI appealed. The National Labor Relations Commission (NLRC) reversed the decision, citing loss of trust, and dismissed the case.
12. The Court of Appeals (CA) upheld the NLRC, affirming QHI's decision was justified

based on evidence and lack of credible defense from Belarso.

****Issues:****

1. Was there a just cause to terminate Evelina E. Belarso?
2. Was the penalty of dismissal warranted given the circumstances?

****Court's Decision:****

1. ****Just Cause for Termination:**** The Supreme Court affirmed lower courts' rulings that Belarso was validly dismissed. Loss of trust and confidence justified termination as she held a sensitive position and violated company rules by possessing the company property without authorization.
2. ****Appropriateness of Penalty:**** The Court emphasized that Belarso's long service did not mitigate the infraction's seriousness. Her role demanded high trust, and her breach affected core expectations.

****Doctrine:****

- For just cause under Article 297 of the Labor Code, employee dismissal must involve fraud or willful breach of employer trust, with employees occupying trusted positions expected to maintain high fidelity.

****Class Notes:****

- ****Positions of Trust:**** Involve categories such as managerial employees (decision-making power) and fiduciary employees (handle money/property).
- ****Loss of Trust Requirements:**** Position of trust exists, and an act justifying loss of confidence demonstrated with clear and convincing proof.
- ****Article 297(c) Labor Code:**** Trust breaches warrant dismissal when fundamental to employment.

****Historical Background:****

In labor disputes, the employer's burden is to prove the justification for termination, particularly regarding trust and confidence, a doctrine observed in cases concerning positions that directly impact business integrity and operations. This case reaffirms principles in workplace disciplinary actions, emphasizing comprehensive evidence and procedural fairness in employer-employee disputes.