

UNIVAN MANAGEMENT SERVICES PHILIPPINES, INC., PETITIONER, VS. FELIX B. GENETE, SR. AND NATIONAL LABOR RELATIONS COMMISSION, RESPONDENTS.

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GALAPATE-LAGUILLES, J:

This is a Petition for Certiorari filed in accordance with Rule 65 of the Rules of Court assailing the Decision[1] dated May 31, 2012 as well as the Resolution[2] dated October 5, 2012 both of public respondent National Labor Relations Commission (NLRC) in NLRC Case No. OFW (M) 08-11121-08 essentially denying petitioner's appeal of the Labor Arbiter's Decision dated September 14, 2011 which found the dismissal of private respondent illegal.

The facts as culled from the records:

Private respondent Felix B. Genete, Sr. (Genete) was hired by petitioner Univan Management Services for the latter's principal, Belindtha Marine, Ltd., to work on board MV KOTA PERMATA as 2nd Engineer commencing last April 17, 2008. He alleged that he was faithfully performing his duties and functions as second engineer, even utilizing the engine crew under his command for his disposal.

Unknown to him, however, petitioner advised his repatriation on July 15, 2008 and that all the monetary settlements due him will be attended to at petitioner's office in Manila upon his arrival. Left with no choice, he was forced to leave MV LOTA PERMATA.

He was later on surprised to learn upon his arrival in Manila that the cost of his return ticket and that of his replacement was eight hundred dollars (\$800.00) and an unexplained agency fee was also deducted from his wages. He was then made to sign a Deed of Release/Quitclaim/Discharge upon receipt of two thousand six hundred thirty seven dollars and seven cents (\$2,637.07). Aggrieved, he filed a Complaint[3] for illegal dismissal and illegal deduction with prayer for the payment of salary corresponding to the unexpired portion of his contract of employment, damages and attorney's fees before the Regional Arbitration Branch of the National Labor Relations Commission last November 12, 2008.

Petitioner on the other hand insists that private respondent Genete committed several infractions while on board thus paving the way to his dismissal. It averred that on May 28, 2008 and July 23, 2008 respectively, Genete was reprimanded by the vessel's Chief Engineer in view of his poor performance. Genete was in fact given a final warning for his incompetence, inefficiency and poor performance by the Chief Engineer last June 30, 2008. Petitioner further maintained that the Master of the vessel decided that Genete be replaced by a competent and efficient 2nd Engineer so as not to compromise the safety of the ship and that of its crew.

On September 14, 2011, Labor Arbiter Fatima Jambaro-Franco issued her Decision[4] ruling in Genete's favor, the dispositive portion of said ruling reads as follows:

WHEREFORE, premises considered, judgment is hereby rendered declaring the termination of the complainant illegal and accordingly, ordering the respondents Univan Management Services Phils./Belindtha

Marine Ltd./Capt. Paquito M. Opelanio to pay jointly and severally complainant Felix B. Ginete, Jr. the amount of ELEVEN THOUSAND FIVE HUNDRED TWENTY FOUR US DOLLARS & 70/100 (\$11,524.70) or its equivalent in Philippine Peso at the prevailing rate of exchange at the time of actual payment representing his salaries for the unexpired portion of the contract, refund of illegal deduction and attorney's fees.

All other claims are DISMISSED for lack of merit.

Aggrieved, petitioner filed a timely appeal before the public respondent NLRC. In its May 31, 2012 Decision[5], the public respondent affirmed with modifications the decision of the labor arbiter, the dispositive portion is herein quoted:

WHEREFORE, premises considered, the Executive Labor Arbiter's DECISION is hereby AFFIRMED with MODIFICATION in that complainant's salary for the unexpired portion of his contract shall be computed at the rate of US\$1,239.00 per month and not at US\$1813.00 per month as previously held.

The Computation Division of this Office is hereby directed to make the necessary computation of the monetary award granted to complainant, which computation shall form an integral part of this decision.

SO ORDERED.

Undaunted, petitioner is here before Us submitting that the public respondent NLRC committed grave abuse of discretion in affirming the Labor Arbiter a quo's Decision.

On August 13, 2013, this Court issued a Resolution referring the instant case to the Philippine Mediation Center – Court of Appeals for mediation.[6]

On November 28, 2013, Atty. Jack Andrew O. Miranda, Appellate Court Mediator, submitted his Report informing this Court that the parties have successfully settled their case and that the parties have executed a compromise agreement to that effect.[7] The Compromise Agreement signed by the parties is herein quoted:

Compromise Agreement

THE PUBLIC IS INFORMED:

This Agreement is executed by and between:

UNIVAN MANAGEMENT SERVICES PHILIPPINES, INC. (UMSPI), a domestic corporation, duly organized and existing under and by virtue of the laws of the Philippines, with office address at Suites 500 to 503 and 6th Floor, VIP Building, 1140 Roxas Boulevard cor. Nuestra Senor De Guia St., Ermita, 1000, Manila, represented by herein by MS. RACHEL E. DERDER:

and

FELIX B. GENETE, SR, of legal age, married, Filipino and with address at J.M. Basa Street, Dumangas, Iloilo, 5006.

ANTECEDENTS

1. The parties, after undergoing a court-annexed mediation, agreed to compromise and finally settle the above case, under the following terms and conditions:

2. Decision Subject of the Compromise. The decision subject of the Compromise is the 31 May 2012, National Labor Relations Commission (NLRC) Decision in NLRC Case No. (IV) NCR-0811121-88 rendered in favor of private respondent Felix Genete, Sr.

3. In the said NLRC Decision private respondent Genete was awarded the following: vUnexpired portion of contract US\$ 6,195.00

Unexpired portion of contract

US\$ 6,195.00

Refund of deductions

1,412.00

Attorney's fees

760.70

Total

US\$8,367.70

4. By way of compromise, private respondent Genete waived the payment of attorney's fees, which was accepted by UMPSI. Hence, the compromise agreement is SEVEN THOUSAND SIX HUNDRED SEVEN U.S. DOLLARS (US\$7,607.00).

5. Upon receipt of said amount private respondent Genete likewise execute the attached Release Waiver and Quitclaim and the parties agreed to cause the dismissal of this case and to consider the NLRC case, subject of this petition, closed and terminated.

SIGNED by the parties on 22 November 2013 at the City of Manila, Philippines.

(signed)

UNIVAN MANAGEMENT SERVICES

FELIX GENETE, SR

PHILIPPINES, INC

By:

(signed)

RACHEL E. DERDER

Signed in the presence of:

(signed)

(signed)

Gregorio Cagod

Henry B. Salazar

Article 1306 of the Civil Code of the Philippines provides that contracting parties may establish such stipulations, clauses, terms, and conditions, as they may deem convenient, provided that they are not contrary to law, morals, good customs, public order, or public policy. A compromise agreement is a contract whereby the parties make reciprocal concessions, avoid litigation, or put an end to one already commenced.[8] It is an accepted, even desirable and encouraged, practice in courts of law and administrative tribunals.[9]

After a perusal of the compromise agreement submitted by the parties, this Court is convinced that the terms and conditions thereof were freely and voluntarily entered into by them and the same is not tainted with fraud, irregularity or any vices of consent. More importantly, the subject compromise is not contrary to law, public

morals or public policy.

WHEREFORE, the foregoing premises considered, the Compromise Agreement dated November 22, 2013 is hereby APPROVED and judgment is hereby rendered in accordance therewith. By virtue of such approval, this case is now deemed CLOSED and TERMINATED.

SO ORDERED.

Librea-Leagogo, (Chairperson), and Diamante, JJ., concur.

[*]Ginete or Genete as the records will show

[1] Rollo, pp. 142-155

[2] Id. at 166-167

[3] Id. at 44-55

[4] Id. at 87-95

[5] Id. at 142-156

[6] Id. at 219

[7] Id. at 221

[8] Article 2028 of the Civil Code of the Philippines

[9] See DMG Industries, Inc. v. Philippine American Investments Corporations, G.R. No. 174114, July 6, 2007, 526 SCRA 682, 687.

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