

RURAL BANK OF SAN LORENZO RUIZ (SINILOAN), EJM INVESTIGATION SECURITY, AND DR. ROLANDO ENTILA, PETITIONERS, V. NATIONAL LABOR RELATIONS COMMISSION AND TERESA P. BANCUYO, RESPOND...

Ponente: LOPEZ, J.

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LOPEZ, J.:

The facts, synthesized by the National Labor Relations Commission (NLRC), are as follows:

In her position paper, complainant [Teresa Bancuyo] alleged that sometime in October 1996, she was hired by respondent Rolando Entila as a Lady Guard assigned in the Northwestern College which was owned by said respondent at a monthly rate of Php3,000.00; that in May 1997, she was transferred by respondent Entila to the Siniloan Western College Montessori, which was also owned by the latter; however, her monthly salary was reduced to Php2,500.00; that in the year 2001, she was again transferred by respondent Entila to the Rural Bank of San Lorenzo Ruiz, which was also owned by same respondent, with a monthly rate of Php3,500.00.

Complainant added that on 13 January 2012, she was informed by the bank's Assistant Manager that her services are no longer needed since she has already a replacement. Thus, she claimed that she was illegally dismissed from the service by respondent bank without any valid cause and due process. She stated that she was underpaid of her salary and the respondents failed to give her overtime pay, 13[th] month pay, holiday pay, service incentive leaves and other labor standard benefits.

On the other hand, respondent Entila denied any employment relationship with complainant since the latter was hired by EJM Investigation Security to work for its various clients. In support thereof, respondent Entila submitted a copy of the Sinumpaang Salaysay executed by EJM Manager Amy Malong who attested, among other things, that complainant was the one who requested that she be posted to Rural Bank of San Lorenzo Ruiz Inc. located in Siniloan, Laguna since the bank is near to her residence. Accordingly, complainant was recalled by the said security agency from the rural bank for reassignment/deployment to other clients.

In response to the foregoing allegation of respondents, complainant amended her complaint on 10 July 2012, to include EJM Investigation and Security Agency as additional respondent, Complainant argued that assuming, for the sake of argument, that she was not hired by respondent Entila, the latter is still liable solidarily with EJM Security Agency since they failed to comply the labor standard benefits which are due her. xxx[1]

On November 28, 2012, the Labor Arbiter rendered a Decision dismissing the charge of illegal dismissal but ordering respondents Rural Bank of San Lorenzo Ruiz Inc., Dr. Rolando Entila and EJM Investigation and Security Agency to pay complainant Bancuyo's salary differentials, to wit:

WHEREFORE, premises considered, respondents are hereby ordered jointly and severally to pay Teresa Bancuyo the amount of P154,860.00 representing unpaid wage differentials for the unprescribed period of 3 years reckoned backwards from filing of the complaint on 13 March 2012 computed as follows:

SALARY DIFFERENTIALS

From 3/13/09 to 1/14/11

254x30 - 3,500x22.03

P90,763.60

From 1/15/11 to 1/12/12

271x30 – 3,500x11.90

P55,097.00

P154,860.00

Cause of action for illegal dismissal against Rural Bank of San Lorenzo Ruiz, Inc. and Rolando Entila is dismissed for lack of merit. While cause of action for illegal dismissal against EJM Investigation Security Agency and Amy Malong is dismissed without prejudice for complainant's failure to prosecute the same.

All other claims are denied for lack of basis.

SO ORDERED.[2]

The respondents filed an appeal before the NLRC, arguing that the Labor Arbiter erred in awarding the salary differentials. According to them, aside from the monthly salary of P3,500.00, complainant received P1,000.00 monthly allowance. Also, the Rural Bank of San Lorenzo Ruiz is a service establishment employing not more than ten workers. Hence, it is exempt from paying the prescribed minimum wage.[3]

In its June 27, 2013 Decision, the NLRC pointed out that the question of wage differential was not submitted before the Labor Arbiter and that it cannot rule on issues raised for the first time on appeal. Moreover, there is no evidence that respondents paid the P1,000.00 monthly allowance or that they were exempt from the minimum wage requirement. The appeal was thus denied.[4] The respondents moved for reconsideration, to no avail.[5]

Consequently, Rural Bank of San Lorenzo Ruiz Inc., Dr. Rolando Entila and EJM Investigation and Security Agency filed this petition for certiorari reiterating that the computation for salary differentials was erroneous because the P1,000.00 allowance should be included in private respondent Bancuyo's wages and that the Rural Bank of San Lorenzo Ruiz is exempt from the minimum wage requirement.[6]

In her Comment, private respondent argued that the petitioners failed to present any evidence that they were exempted from the minimum wage requirement. Although the bank has less than ten workers in its Siniloan Branch, it employs many others in its main office and other branches. Also, the P1,000.00 was not part of private respondent's salary since it was not included in her payslip.[7]

On April 2, 2014, the Court issued a Resolution referring the case to the Philippine Mediation Center for possible amicable settlement.[8] Subsequently, the parties, assisted by their respective counsel, manifested that they were able to amicably settle the case and moved for its dismissal.[9]

A compromise is a contract whereby parties, making reciprocal concerns, avoid litigation or put an end to one already commenced.[10] It is an agreement between two or more persons, who, for preventing or putting an end to a lawsuit, adjust their difficulties by mutual consent in the manner which they agree on, and which everyone of them prefers to the hope of gaining, balanced by the danger of losing.[11] In *Periquet v. National Labor Relations Commission*,[12] the Supreme Court held that:

Not all waivers and quitclaims are invalid as against public policy. If the agreement was voluntarily entered into and represents a reasonable settlement, it is binding on the parties and may not later be disowned simply

because of a change of mind. It is only where there is clear proof that the waiver was wangled from an unsuspecting or gullible person, or the terms of settlement are unconscionable on its face, that the law will step in to annul the questionable transaction. But where it is shown that the person making the waiver did so voluntarily, with full understanding of what he was doing, and the consideration for the quitclaim is credible and reasonable, the transaction must be recognized as a valid and binding undertaking.

In the case at bar, both parties' counsels assisted them in reaching the settlement. Clearly, they did so voluntarily and with full understanding of what they were doing. We therefore find that the parties have indeed reached a reasonable conciliation which the Court finds commendable.

Keeping in mind the precepts in Article 2029 of the Civil Code,[13] which encourages the amicable settlement of disputes between parties,[14] the case is now considered closed and settled.

ACCORDINGLY, the case is DISMISSED.

SO ORDERED.

Reyes, Jr., (Chairperson) and Inting, JJ., concur.

[1] Rollo, pp. 20-21.

[2] Id., pp. 30-31.

[3] Id., pp. 70-75. Memorandum on Appeal.

[4] Id., pp. 19-24.

[5] Id., p. 16. September 19, 2013 Resolution.

[6] Id., pp. 6-9.

[7] Id., pp. 101-102.

[8] Id., p. 108.

[9] Id., p. 109.

[10] Article 208 of the Civil Code, as cited in *Rivero v. CA*, G.R. No. 141273, 17 May 2005.

[11] *Del Rosario v. Madayag*, G.R. No. 118531, 28 August 1995 citing *David v. Court of Appeals*, 214 SCRA 644, 650 (1992) citing *Rivero v. Amparo*, 91 Phil. 228, 235(1952); *Arcenas v. Cinco*, 74 SCRA 118, 123 (1976).

[12] G.R. No. 91298, 22 June 1990.

[13] Art. 2029. The court shall endeavor to persuade the litigants in a civil case to agree upon some fair compromise.

[14] *First Intramuros BF Condominium Corp. v. NLRC*, G.R. No. 103638, 14 April 1994.

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