

**GLORIA MAQUILAN AND JOY MAQUILAN, PETITIONERS, VS.
NATIONAL LABOR RELATIONS COMMISSION (SEVENTH DIVISION)
AND CAROLINA'S LACE SHOPPE AND/OR LOURDES RAGAS
AND/OR CLAUDINE MANGASI...**

Ponente: SADANG, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/dd27f370f339/>

SADANG, J.:

This is a petition for certiorari under Rule 65 of the Rules of Court seeking to set aside the January 8, 2010 Decision[1] of the National Labor Relations Commission (Seventh Division) in NLRC LAC No. 05-001173-09 (NLRC-NCR-05-08411-08; NLRC-NCR-06-08580-08), and the March 26, 2010 Resolution[2] denying the motion for reconsideration.

Records show that on June 12, 2008, petitioners Gloria Maquilan and Joy Maquilan (hereafter, petitioners), Santiago A. Espultero and Eminda B. Tagalo filed a complaint[3] for illegal dismissal, underpayment of salary and non-payment of benefits, with prayer for damages and attorney's fees,

against Carolina's Lace Shoppe (CLS) and its sole proprietor, Lourdes Ragas, and manager, Claudine Mangasing (hereafter, respondents). On August 5, 2008, Espultero and Tagalo executed Affidavits of Desistance[4] and the case was dismissed as to them.

In their Position Paper,[5] petitioners averred that: CLS hired Gloria in 2005 and Joy in 2007 and assigned them at the Glorietta branch, Makati City; Gloria worked as sales personnel at a daily salary of P138.17 while Joy, Gloria's daughter, was a beader at P100.00 a day; they worked on holidays and special holidays but were not paid holiday and premium pay; they worked for more than one (1) year but were not given five (5) days service incentive leave per year of service; they were given 13[th] month pay but it was not in accordance with the minimum wage rates; they worked ten (10) hours a day but were not given overtime pay; in April 2008, the Department of Labor and Employment (DOLE), Makati City inspected CLS and Espultero told the labor inspector that he was receiving a daily wage of P250.00; private respondent Mangasing terminated Espultero and forced him to sign a Quitclaim[6] on May 30, 2008, Gloria, then 8 months pregnant, was also dismissed and forced to sign a quitclaim[7] as a condition for the payment of separation pay of P15,000.00 only despite more than three (3) years of service; on June 10, 2008, Joy was also dismissed and forced to sign a quitclaim[8] so she could receive her separation pay of P4,000.00.

Petitioners claimed that they were forced to resign and were thus illegally dismissed and entitled to full backwages, inclusive of allowances and other benefits, from their dismissal until their reinstatement, or to separation pay of one month salary for every year of service in lieu of reinstatement. They also prayed for moral and exemplary damages and attorney's fees because their dismissal was attended by bad faith.

In their Position Paper,[9] respondents alleged that petitioners were not illegally dismissed but voluntarily resigned. They averred that Gloria submitted her resignation letter[10] and she was issued a clearance and quitclaim[11] and paid P15,000.00. On June 10, 2008, Joy also resigned and executed a clearance and

quitclaim[12] and was paid P4,000.00. As counterclaim, respondents averred that they are entitled to moral and exemplary damages and attorney's fees.

Petitioners filed a Reply (To Respondents' Position Paper Dated 17 May 2008)[13] insisting that they were forced to resign, that Gloria did not sign her resignation letter, and quitclaims are ineffective in barring recovery of full benefits. They added that respondents in labor cases are not entitled to attorney's fees as counterclaim.

Respondents filed a Reply[14] averring that petitioners' resignations were effective and may not be unilaterally withdrawn without their consent.

On October 31, 2008, the Labor Arbiter (LA) rendered a Decision[15] finding that petitioners were illegally dismissed, disposing thus:

WHEREFORE, judgment is hereby rendered declaring complainants Gloria Maquilan and Joy Maquilan to have been illegally dismissed from their employment.

Respondents Carolinas Lace Shoppe/Lourdes Ragas are hereby ordered to pay said complainants the amount of Php132,890.16, representing their backwages and separation pay, respectively, and the total amount of Php257,456.68, representing their other money claims, less the amount of Php19,000.00, already received by them.

Complainants Eminda Tagalo and Santiago Espulteros case [sic] are hereby accordingly dismissed pursuant to Section 7, Rule V of the 2005 Revised Rules Procedure (sic) of the NLRC.

Other claims are hereby denied for lack of merit.

SO ORDERED.[16]

Respondents appealed to the NLRC and filed their Memorandum of Appeal[17] to which petitioners filed their Comment/Opposition.[18]

Thereafter, respondents filed a Supplement to Memorandum of Appeal[19] (SMA, for brevity) reiterating their arguments and adding that the LA incorrectly awarded certain amounts as underpaid wages or salaries and other benefits. They attached copies of payrolls, daily time records, and pay vouchers for the years 2005, 2006, 2007, and 2008 to prove that they paid the correct salaries, legal holiday pay, 13th month pay, service incentive leave pay, and other benefits of petitioners.

Petitioners filed a Motion to Expunge respondents' SMA.[20] They cited Section 11, Rule V of the 2005 Rules of Procedure of the NLRC which provides that upon the submission by the parties of their position papers or replies, the case shall be deemed submitted for decision. They reiterated their earlier arguments and insisted that they were underpaid.

In their Comment/Opposition,[21] respondents contended that petitioners are resorting to technicalities to suppress the truth.

On January 8, 2010, the NLRC rendered its Decision granting respondents' appeal. The fallo reads:

WHEREFORE, the Appeal is hereby GRANTED and the decision of the Labor Arbiter is SET ASIDE. The respondents are, however, ORDERED to pay complainants their SIL[22] pay based on the appended computation.

SO ORDERED.[23]

Petitioners filed a Motion for Reconsideration[24] but it was denied in a Resolution[25] dated March 26, 2010;

hence, this petition on the following grounds:

- WITH ALL DUE RESPECT, PUBLIC RESPONDENT COMMITTED GRAVE ABUSE OF DISCRETION IN SETTING ASIDE THE DECISION OF THE LABOR ARBITER.
- REQUIRING PETITIONERS TO SIGN WAIVERS/QUITCLAIMS IS TANTAMOUNT TO CONSTRUCTIVE/ILLEGAL DISMISSAL.
- THE DOCUMENTS PRESENTED BY PRIVATE RESPONDENT IN ITS BELATEDLY FILED SUPPLEMENT TO THE MEMORANDUM OF APPEAL ARE INCONSISTENT WITH THEIR PREVIOUS PLEADINGS WHICH FURTHER INSPIRES DOUBT TO ITS FABRICATION AND SHOULD NOT HAVE BEEN GIVEN PROBATIVE VALUE.[26]

Respondents filed their Comment[27] to the petition; petitioners filed a Reply.[28]

RULING

Essentially, the issues in this case are: 1) whether petitioners were forced to resign; and 2) whether petitioners were paid below minimum salaries and were not given other benefits mandated by law.

Where an employer interposes the defense of resignation, it is incumbent on him to prove that the employee voluntarily resigned and had the unequivocal intent to discontinue employment. The employer's evidence thereon must be clear, positive, and convincing. He cannot rely on the

weakness of the employee's evidence or defense.[29] If the employer introduces evidence purportedly executed by an employee as proof of voluntary resignation, but the employee specifically denies such evidence, the employer is burdened to prove the due execution and genuineness thereof.[30]

Resignation has been defined as the voluntary act of an employee who "finds himself in a situation where he believes that personal reason cannot be sacrificed in favor of the exigency of the service, then he has no other choice but to dissociate himself from his employment." [31] The law affords the employee the right to resign regardless of whether the company has found a suitable replacement and whether the operation of the company would be affected, provided he serves a written notice on the employer at least one (1) month in advance.[32] Once the employer accepts the resignation, the employee no longer has a right to the job. If the employee later changes his mind, he must ask for approval of the withdrawal of his resignation from his employer, as if he were reapplying for the job. If the employer accepts said withdrawal, the employee retains his job. If the employer does not, the employee cannot claim illegal dismissal because the employer has the right to determine who his employees will be. To say that an employee who has resigned is illegally dismissed is to encroach on the right of the employer to hire persons who will be of service to him.[33]

In ruling that petitioners voluntarily resigned, the NLRC gave weight and credence to the resignation letter (Annex 4) and clearance and quitclaim (Annex 5) of Gloria and the clearance and quitclaim (Annex 8) of Joy. However, said petitioners claim that they were forced to sign said documents which was the condition for the release of their separation pays.

The rule is that high respect is accorded to the findings of facts of quasi-judicial agencies; however, this rule is not without exceptions. One of the exceptions is when the findings of fact of the labor official on which the conclusion was based are not supported by substantial evidence.[34] Substantial evidence is that amount of relevant evidence which a reasonable mind might accept as adequate to justify a conclusion.[35]

We find that the ruling of the NLRC is not supported by substantial evidence. Contrary to the ruling of the NLRC, the evidence shows that the resignations of petitioners were not voluntary.

Gloria's printed resignation letter[36] and clearance and quitclaim[37] are both dated May 31, 2008. The resignation letter reads:

May 31, 2008

CAROLINA'S LACE SHOPPE

Quad Branch

To whom it may concern:

This is to tender my resignation effective at the close of office hours of May 31, 2008.

I would like to thank the management for the opportunity that you have given me during my stay with the company.

This resignation will serve as notice that I have received all the benefits, salaries, 13th month and service leave. I have no more claims of whatsoever against the company its owner or officers. This will serve as my clearance and quit claim.

Truly yours,

GLORIA MAQUILAN

Sales clerk[38]

A perusal of the resignation letter shows that it is also a quitclaim, waiver or release. The language is obviously not Gloria's and the provisions are clearly lopsided in favor of CLS which is being released from liabilities. In *Mobile Protective & Detective Agency v. Ompad*,[39] which involved a resignation letter similarly worded, the Supreme Court held that the letter is dubious and does not evince voluntariness. Moreover, considering that the letter is dated May 31, 2008 and the resignation is effective also on May 31, 2008, it is clear that Gloria did not comply with the 30-day notice required by law. It would appear that on the same day that she severed her employment, Gloria also discharged CLS from any liability arising from her employment. These circumstances hardly inspire belief that the resignation was voluntary. They patently indicate not only a sudden severance of employment on the part of the employee but also a rash release of the employer from liability. Such is not consistent with human experience especially so since Gloria was about to give birth and would thus have major financial needs. She had no personal reason to sacrifice her employment and she had every reason to keep her job. Indeed, her lack of intention to resign is shown by her filing of the complaint for illegal dismissal on June 12, 2008, or barely 12 days after her alleged letter of resignation. The immediate filing of the complaint is difficult to reconcile with voluntary resignation.[40]

As to Joy, there is also no evidence that she ever expressed a desire to resign from her job. She did not file a letter of resignation. Like her mother, Gloria, Joy had no personal reason to quit her job. On the contrary, it is not difficult to imagine that she wanted to keep her job because her mother was about to give birth and she would need her financial support. Also, it is noteworthy that her quitclaim appears to have been signed on June 11, 2008; however, she filed a complaint for illegal dismissal the following day, June 12, 2008. Again, this hardly indicates voluntary resignation.

That petitioners accepted the amounts given to them as separation pay and signed quitclaims does not make their resignation voluntary. Their act should be understood and treated as an act of self-preservation in view of the financial predicament that they were facing.[41] It does not estop them from challenging the legality of their dismissal. The law upholds the nullity of quitclaims undertaken under questionable or doubtful circumstances.[42] The law looks with disfavor upon quitclaims and releases by employees who are pressured into signing them by

unscrupulous employers who intend to evade legal responsibilities.[43] Such quitclaims are contrary to public policy, hence, ineffective to bar claims for the full measure of the workers' legal rights.[44]

Neither does the fact that Gloria's resignation letter is notarized defeat her claim. Assuming that the letter was validly notarized, that merely converted it into a public document and dispensed with the requirement of authentication.[45] Authentication simply means proof that the document is genuine or executed by the person whose signature appears therein.[46] However, even if Gloria's signature is genuine, as discussed above, the evidence shows that she did not voluntarily sign the letter.

Petitioners' illegal dismissal carries the legal consequences provided in Article 279[47] of the Labor Code. They are entitled to reinstatement without loss of seniority rights and other privileges, and to full backwages, inclusive of allowances, and other benefits or their monetary equivalent. However, the attendant litigation has strained the relations between petitioners and respondent, thus, reinstatement is no longer feasible. In lieu of reinstatement, petitioners should be awarded separation pay[48] equivalent to one month salary for every year of service computed from the time of their hiring until finality of the decision.[49] In accordance with current jurisprudence, the award of separation pay shall earn legal interest at the rate of six percent (6%) per annum from the finality of this decision until fully paid.[50]

We now come to the second issue.

Respondents attached to their SMA before the NLRC photocopies of the 2007 and 2008 payrolls and daily time record (DTR) pertaining to Joy[51] and the 2004, 2005, 2006, 2007, and 2008 payrolls and DTRs of Gloria[52] to prove that said petitioners were paid the minimum rates as well as other legislated benefits. However, petitioners contend that the NLRC should not have considered these documents because they were belatedly filed and are mere photocopies.

The NLRC did not commit grave abuse of discretion amounting to lack or in excess of jurisdiction in considering the documentary evidence attached to their SMA which were not offered before the LA and submitted for the first time on appeal by respondents. As held in *Sasan, Sr. et al. v. NLRC*:

x x x our jurisprudence is already replete with cases allowing the NLRC to admit evidence, not presented before the LA, and submitted to the NLRC for the first time on appeal. Technical rules of evidence are not binding in labor cases. x x x. The submission of additional evidence before the NLRC is not prohibited by its New Rules of Procedure. After all, rules of evidence prevailing in courts of law or equity are not controlling in labor cases. The NLRC and labor arbiters are directed to use every and all reasonable means to ascertain the facts in each case speedily and objectively without regard to technicalities of law and procedure all in the interest of substantial justice. In keeping with this directive, it has been held that the NLRC may consider evidence, such as documents and affidavits, submitted by the parties for the first time on appeal. The submission of additional evidence on appeal does not prejudice the other party for the latter could submit counter-evidence.[53] (Underscoring supplied)

Neither did the NLRC commit grave abuse of discretion amounting to lack or in excess of jurisdiction in giving probative value to the documents even if they are mere photocopies. To reiterate, proceedings before the NLRC are not covered by the technical rules of evidence and procedure as observed in the regular courts. Technical rules of evidence do not apply if the decision to grant the petition proceeds from an examination of its sufficiency as well as a careful look into the arguments contained in the position papers and other documents.[54] We agree with the findings of the NLRC that the signatures in the payrolls and the signatures in petitioners' position paper are the same and that petitioners did not refute said document. The payrolls support the NLRC's finding that petitioners were paid the correct salaries as well as 13[th] month pay, overtime pay and holiday pay; hence negating the payment of salary differentials. However, as correctly found by the NLRC, the payrolls do not show that the

monetized value of petitioners' service incentive leaves were paid.

WHEREFORE, the petition is GRANTED. The January 8, 2010 Decision and March 26, 2010 Resolution of the National Labor Relations Commission (Seventh Division) in NLRC LAC No. 05-001173-09 (NLRC-NCR-05-08411-08) are ANNULLED and SET ASIDE; however, the portion of the fallo of said decision ordering payment by respondents of service incentive leave to petitioners shall STAND. The October 31, 2008 Decision of Labor Arbiter Daniel Dajilig is REINSTATED with the MODIFICATION that respondents shall only pay petitioners Gloria Maquilan and Joy Maquilan backwages and separation pay^[55] as computed by the Labor Arbiter in his Decision.

SO ORDERED.

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

[1] Rollo, pp. 25-32.

[2] Id., pp. 34-37.

[3] As per petitioners' Position Paper before the Office of the Labor Arbiter, Rollo, p. 43; pp. 38-40, 58, and 70.

[4] Rollo, pp. 66 and 70.

[5] Id., pp. 41-56. Espultero did not sign the Position Paper and the Verification and Certification of Non-Forum Shopping although he is named as one of the complainants therein.

[6] Id., p. 65.

[7] Id., p. 68.

[8] Id., p. 71.

[9] Id., pp. 58-63.

[10] Id., p. 67.

[11] Id., p. 68.

[12] Id., p. 71.

[13] Id., pp. 72-76.

[14] Id., pp. 77-79.

[15] Id., pp. 81-88.

[16] Id., p. 88.

[17] Id., pp. 89-95.

[18] Id., pp. 141-147.

[19] Id., pp. 148-152.

[20] Id., pp. 322-325.

[21] Id., pp. 326-327.

[22] Service Incentive Leave.

[23] Rollo, p. 31.

[24] Id., pp. 328-337.

[25] Id., pp. 34-37.

[26] Id., p. 9.

[27] Id., pp. 355-371.

[28] Id., pp. 373-383.

[29] Vicente v. Court of Appeals, G.R. No. 175988, August 24, 2007; Metro Transit Organization, Inc. v. NLRC, G.R. No. 119724, May 31, 1999.

[30] D.M. Consunji Corp. v. Bello, G.R. No. 159371, July 29, 2013; Mora v. Avesco Marketing Corp., G.R. No. 177414, November 14, 2008; Azcor Manufacturing, Inc. v. NLRC, G.R. No. 117963, February 11, 1999.

[31] Gan v. Galderma Philippines, Inc., G.R. No. 177167, January 17, 2013; San Miguel Properties Philippines, Inc. v. Gucaban, G.R. No. 153982, July 18, 2011; Philippines Today Inc. v. NLRC, 334 Phil. 854, 877 (1997).

[32] Article 285, par. a, Labor Code; Skippers United Pacific, Inc. v. Doza, G.R. No. 175558, February 8, 2012.

[33] BMG Records (Phils.), Inc. v. Aparecio, G.R. No. 153290, September 5, 2007, citing Intertrod Maritime, Inc. v. NLRC, G.R. No. 81087, June 19, 1991, 198 SCRA 318.

[34] Century Canning Corp. v. Ramil, G.R. No. 171630, August 8, 2010; Velasco v. Transit Automotive Supply, Inc., G.R. No. 171327, June 18, 2010; Felix v. NLRC, 485 Phil. 140, 153 (2004).

[35] Section 5, Rule 133, Revised Rules on Evidence.

[36] Rollo, p. 67.

[37] Id., p. 68.

[38] Id., p. 67.

[39] G.R. No. 159195, May 9, 2005.

[40] Magis Young Achievers' Learning Center v. Manalo, G.R. No. 178835, February 13, 2009; Mobile Protective & Detective Agency v. Ompad, G.R. No. 159195, May 9, 2005; Valdez v. NLRC, 286 SCRA 87, 94 (1998).

[41] Fungo v. Lourdes School of Mandaluyong, G.R. No. 152531, July 27, 2007.

[42] San Miguel Corp. v. NLRC, G.R. No. 107693, July 23, 1998.

[43] Philippine Carpet Employees Association v. Philippine Carpet Manufacturing Corp., G.R. Nos. 140269-70, September 14, 2000; Labor Congress of the Philippines v. NLRC, 292 SCRA 469, 477 (1998).

[44] Rizal Commercial Banking Corp. v. Bithao, G.R. No. 162240, August 29, 2006; Philippine Employ Services v. Paramio, G.R. No. 144786, April 15, 2004; Lambo v. NLRC, G.R. No. 111042, October 26, 1999.

[45] Gutierrez v. Plaza, G.R. No. 185477, December 4, 2009; Domingo v. Robles, 493 Phil. 916, 95).

[46] Section 20, Rule 132, Rules on Evidence; Vicente J. Francisco, Evidence, 1997 ed., pp. 336.

[47] ART. 279. Security of Tenure. --- In cases of regular employment, the employer shall not terminate the services of an employee except for a just cause or when authorized by this Title. An employee who is unjustly dismissed from work shall be entitled to reinstatement without loss of seniority rights and other privileges and to his full backwages, inclusive of allowances, and to his other benefits or their monetary equivalent computed from the time his compensation was withheld from him up to the time of his actual reinstatement.

[48] Uy v. Centro Ceramica Corp., supra; Century Canning Corp. v. Ramil, supra; Coca-Cola Bottlers Phils., Inc. v. Daniel, G.R. No. 156893, June 21, 2005.

[49] Century Canning Corp. v. Ramil, supra; Eastern Telecommunications Philippines, Inc. v. Diamse, G.R. No. 169299, June 16, 2006.

[50] United Tourist Promotions v. Kemplin, G.R. No. 205453, February 5, 2014.

[51] Rollo, pp. 153-186.

[52] Id., pp. 187-321.

[53] G.R. No. 176240, October 17, 2008, reiterated in Oriental Shipmanagement Co. Inc. v. Bastol, G.R. No. 186289, June 29, 2010.

[54] Maritime Factors Inc. v. Hindang, G.R. No. 151993, October 19, 2011.

[55] See computation of the Labor Arbiter, Decision; Rollo, pp. 86-87.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.