ALEMAR'S SIBAL & SONS, INC., PETITIONER, VS. NATIONAL LABOR RELATIONS COMMISSION, NLM-KATIPUNAN (REPRESENTING THE GROUP OF CHARITO ALIMORONG), RESPONDENTS.

G.R. No. 114761. January 19, 2000

Ponente: PARDO, J.

Read online (full-text search, related cases, audio case brief): https://batas.org/library/g-r-no-114761/

PARDO, J.:

The petition before the Court is for certiorari[1] to set aside the resolutions of the National Labor Relations Commission[2] dismissing the appeal of petitioner and upholding the order of the Labor Arbiter to proceed with the execution of the decision rendered in favor of private respondent.

On January 30, 1984, private respondent NLM Katipunan, representing the group of Charito Alimurong, filed with the Department of Labor and Employment a notice of strike,[3] raising charges of unfair labor practice (ULP) and illegal dismissal against petitioner. Thereafter, the charges were elevated to respondent National Labor Relations Commission (NLRC) for compulsory arbitration.[4]

On April 29, 1985, Labor Arbiter Emilio V. Peñalosa rendered a decision[5] ordering petitioner to pay private respondent separation pay equivalent to one-half (½) month pay for every year of service.

On December 23, 1985, the Research and Information Unit of the NLRC submitted its computation of the separation pay due to private respondent, which amounted to a total of P207,365.33.

On January 4, 1988, private respondent filed with the Labor Arbiter a motion for execution of the decision of the Labor Arbiter. Petitioner did not file any opposition thereto.

At the hearing held on April 19, 1988, petitioner and private respondent agreed to the computation of the separation pay. The terms of settlement are as follows:

> "As agreed upon by the parties, a downpayment of P20,736.53 will be paid in May 1988 which is equivalent to 10% of the total money judgment. In June 1988, P41,473.06 will be paid by respondent and the rest covering the initial forty four (44) will be paid July 1988. The balance of the P207,365.20 will be spread over a fifteen (15) months period."
>
> "(Sgd) Counsel (Sgd) Counsel
>
> for Complainant for Respondent"[6]

Thus, Labor Arbiter Jose de Vera directed petitioner to pay the agreed amount of P20,736.53 representing 10% of the total amount of the separation pay due the complainants on May 16, 1988.

On June 10, 1988, the Rehabilitation Receiver of petitioner submitted a Manifestation with Motion,[7] alleging that petitioner was not yet in a position to comply with the directive of Labor Arbiter de Vera for the reason that it

was still under Rehabilitation Receivership by virtue of the order of the Securities and Exchange Commission (SEC) dated August 1, 1984. Thus, it sought deferment of such payment until the SEC will issue an order formally approving the rehabilitation of petitioner and allowing complainants to file their claims with the Rehabilitation Receiver.

Due to the failure of petitioner to comply with its obligation to pay the first batch of complainants their separation pay, the Labor Arbiter granted the motion for execution of private respondent in an order dated July 18, 1988.

On August 5, 1988, petitioner filed a motion for reconsideration of the order granting the motion for execution, contesting the amount computed by the Research Information Unit of the National Labor Relations Commission.

On September 9, 1988, Labor Arbiter Jose De Vera denied the motion, stating as follows:

> "...respondent failed to manifest any objection or to submit its comment on the computation made by the Research and Information Unit, this Branch. In fact, on March 17, 1988, it submitted a proposal as to how the complainants' claim for separation pay would be satisfied. Further, when the complainants agreed to accept payment of their separation pay on scheduled basis, the first payment of P20,736.53 scheduled in May 1988, which was agreed upon by the parties, said respondent failed to comply and instead, it filed a Manifestation with Motion praying for the deferment of execution until the Securities and Exchange Commission issues an Order formally approving the rehabilitation of the respondent.
>
> Besides, the respondent Motion for Reconsideration is filed out of time considering that as per bailiff's return, respondent received the questioned Order on July 26, 1988 while its Motion was filed only on August 5, 1988, or more than ten (10) days from receipt of the Order."[8]

On September 26, 1988, petitioner filed with the Labor Arbiter a Motion to Suspend Execution,[9] citing as reason therefor the order issued by the Securities and Exchange Commission which states:

> "All actions for claims against the corporation before any court, tribunal or body are suspended accordingly."[10]

On October 27, 1988, petitioner appealed the Labor Arbiter's order[11] for the issuance of a writ of execution to the NLRC. In a decision dated October 13, 1993, the NLRC dismissed the appeal. On February 2, 1994, the NLRC likewise denied the petitioner's motion for reconsideration.

Hence, this petition.[12]

Petitioner contends that public respondent should have denied the order of the Labor Arbiter for the immediate payment of separation pay in favor of private respondent. Petitioner insists that a stay of execution of monetary award is justified in this case because of the order of the Securities and Exchange Commission suspending all claims against petitioner pending before any court, tribunal or body.

The Solicitor General, in his Manifestation,[13] recommends that the petition be given due course without prejudice to the subsequent receipt of separation pay by private respondent in accordance with the preference and concurrence of credits under the Civil Code, the Insolvency Law and Article 110 of the Labor Code.

Respondent National Labor Relations Commission, on the other hand, contends that petitioner is bound by its agreement with private respondent as to the computation of separation pay to be paid. The NLRC emphasizes that the order of execution made by the Labor Arbiter had reached finality and stresses that petitioner's succeeding motions had been filed out of time.[14]

We note that at the time this petition had been filed on May 4, 1994, petitioner had been placed under rehabilitation receivership. Jurisprudence has established that a stay of execution may be warranted by the fact

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

that a petitioner corporation has been placed under rehabilitation receivership.[15] However, it is undisputed that on March 5, 1997, the Securities and Exchange Commission issued an order approving the proposed rehabilitation plan of petitioner and placing it under liquidation pursuant to Presidential Decree 902-A. Subject to the control of the SEC, the liquidator, Ledesma, Saludo & Associates,[16] was ordered to "wind up the affairs of the corporation, continue to manage the corporation for purposes of liquidation in order to protect the interest of its creditors and avoid dissipation, loss, wastage, or destruction of the remaining assets and other properties of the corporation and to ensure orderly payment of claims against such corporation in accordance with applicable laws."[17]

Thus, petitioner pointed out that the SEC's order suspending all claims against it pending before any other court, tribunal or body was pursuant to the rehabilitation receivership proceedings. Such order was necessary to enable the rehabilitation receiver to effectively exercise its powers free from any judicial or extra-judicial interference that might unduly hinder the rescue of the distressed company.[18] Since receivership proceedings have ceased and petitioner's rehabilitation receiver and liquidator, Ledesma Saludo & Associates, has been given the imprimatur to proceed with corporate liquidation, the cited order of the Securities and Exchange Commission has been rendered functus officio. Thus, there is no legal impediment for the execution of the decision of the Labor Arbiter for the payment of separation pay.

Considering that petitioner's monetary obligation to private respondent is long overdue and that petitioner has signified its willingness to comply with such obligation by entering into an agreement with private respondent as to the amount and manner of payment, petitioner can not delay satisfaction of private respondent's claim. However, due to events subsequent to the filing of this petition, private respondent must present its claim with the rehabilitation receiver and liquidator of petitioner, subject to the rules on preference of credits.

WHEREFORE, the Court hereby DISMISSES the petition and directs private respondent to file its claim with the rehabilitation receiver/ liquidator of petitioner in SEC EB No. 81 entitled "In the Matter of the Liquidation of Alemar's Sibal & Sons" pending before the Securities and Exchange Commission.

No costs.

SO ORDERED.

Davide, Jr., C.J., (Chairman), Puno, Kapunan, and Ynares-Santiago, JJ, concur.

---

[1] Under Rule 65 of the 1964 Revised Rules of Court.

[2] Dated October 13, 1993 and February 2, 1994 in NLRC NCR Case No. 4-3492-84.

[3] Docketed as NCB-MS-015-84.

[4] Docketed as NLRC NCR Case No. 4-3492-84.

[5] Rollo, pp. 43-48.

[6] Rollo, pp. 26-27.

[7] Rollo, pp. 50-51.

[8] Rollo, pp. 51-52.

[9] Rollo, pp. 55-61.

[10] Rollo, p. 63.

[11] Dated September 9, 1988.

[12] Filed on May 4, 1994.

[13] Dated September 19, 1994, Rollo, pp. 79-93.

[14] Comment filed April 3, 1995, Rollo, pp. 108-115.

[15] Alemar’s Sibal & Sons, Inc. vs. Elbinias, 186 SCRA 94 (1990)

[16] As per Order of the Securities and Exchange Commission in SEC EB No. 81 entitled "In the Matter of the Liquidation of Alemar’s Sibal & Sons," Rollo, pp. 148-149.

[17] See Order, Rollo, p. 148.

[18] Bank of the Philippine Islands vs. Court of Appeals, 229 SCRA 223 (1994)

Turn this case into an audio lecture - facts, issues, ruling and doctrine - at batas.org

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.