

LEIDEN E. FERNANDEZ, GLORIA B. ADRIANO, EMELDA A. NEGAPATAN, JESUS P. TOMONGHA, ELEONOR A. QUIÑANOLA, ASTEMA C. CAMPO, FLORIDA VILLACERAN, FLORIDA B. TALLEDO AND BRENDA GADIANO,...

G.R. NO. 138967. April 24, 2007

Ponente: GARCIA, J.

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GARCIA, J.:

The instant petition is a proceeding for contempt in connection with the execution of a final and executory Decision[1] of this Court in G.R. No. 105892, entitled *Leiden E. Fernandez, et al., v. National Labor Relations Commission, et al.*, a labor case involving the illegal dismissal of herein petitioners by respondent Marguerite Lhuillier from their employment at Agencia Cebuana-H. Lhuillier Pawnshop (Agencia Cebuana, hereafter), of which the latter is the sole proprietor. Via the present recourse, petitioners pray the Court to hold the respondents guilty of civil and criminal contempts for failure to comply with and implement the Decision of the Court in G.R. No. 105892. They also seek the inhibition of respondent Labor Arbiter Nicasio C. Aniñon from taking part in further execution proceedings relative to the same case, and request that a final computation be made by the Court of the exact amount of the monetary awards due them under the same Decision.

Stripped to the bare essentials, the material facts briefly stated as follows:

In 1990, petitioners filed their respective complaints against respondent Marguerite Lhuillier and/or Agencia Cebuana with the Regional Arbitration Branch VII, Cebu City, for illegal dismissal, service incentive pay, reinstatement with full back wages, and damages. Their complaints were consolidated and assigned to then Labor Arbiter Gavino Velasquez, Jr. who, in a decision[2] dated August 30, 1991, found for the petitioners, to wit:

WHEREFORE, judgment is hereby rendered in favor of the complainants [petitioners] and against the respondent. The respondent is hereby ordered:

- To reinstate the complainants to their respective position at the Agencia Cebuana with full back wages without qualifications; if reinstatement is not feasible, for one reason or another, to pay to the complainants their respective separation pay, service incentive leave pay with full back wages without qualification computed hereunder as follows:

xxx xxx xxx

- To pay to all the complainants the amount of P100,000.00 for moral damages and the amount of another P100,000.00 for exemplary damages, plus the amount of P98,018.25 as attorney's fees representing 10% of the total award and the amount of P30,000.00 for litigation expenses.

Claiming denial of due process, respondent Marguerite Lhuillier appealed to the National Labor Relations Commission (NLRC), in connection with which she filed a cash bond of P748,411.34. In a decision dated March 11, 1992, the NLRC vacated the decision of Labor Arbiter Velasquez, Jr. and remanded the case to the Regional

Arbitration Branch VII, Cebu City, for further proceedings.

Following the NLRC's denial of their motion for reconsideration, petitioners went to this Court on a petition for certiorari in G.R. 105892.

In a Decision[3] promulgated on January 28, 1998, the Court granted the certiorari petition, reversed and set aside the assailed decision and resolution of the NLRC and reinstated with modifications the decision of Labor Arbiter Velasquez, Jr., thus:

WHEREFORE, the petition is hereby GRANTED and the assailed Decision and Resolution are REVERSED and SET ASIDE. The labor arbiter's decision is REINSTATED with MODIFICATIONS, such that the award of separation pay is deleted and the service incentive leave pay is computed from December 16, 1975 up to the petitioners' actual reinstatement. Full back wages, including the accrued thirteenth month pay, are also awarded to the nine petitioners - - Leiden Fernandez, Brenda Gadiano, Gloria Adriano, Emelia Negapatan, Jesus Tomongha, Eleonor Quiñanola, Asteria Campo, Florida Villaceran and Florida Talledo - - from the date of their illegal dismissal to the time of their actual reinstatement. Petitioners Lim and Canonigo, whom we find to have voluntarily resigned, are not entitled to any benefit.

SO ORDERED.

On April 28, 1998, the Decision became final and executory and an Entry of Judgment was made thereon in the Book of Entries of Judgment.

What transpired next lies at the core of the instant petition for contempt.

On April 8, 1999, herein public respondent Labor Arbiter Nicasio C. Aniñon, by way enforcing this Court's Decision in G.R. No. 105892, issued a writ of execution[4] commanding the Deputy Sheriff to:

x x x REINSTATE the complainants [petitioners] at the respondent Agencia Cebuana and to proceed to the premises of the respondent located at Calderon St., Cebu City or wherever the same could be found and collect from the respondent the sum of P3,505,092.33 representing complainants award plus execution fee of P34,550.92 and the deposit fee of P17,535.46 or a total sum of P3,556,178.71 and thereafter turn over the said sum to this Office for appropriate disposition. Should you fail to collect said sum in cash, you are hereby authorized to cause the satisfaction of the same on the movable or immovable properties of the respondent not exempt from execution.

On April 15 and 16, 1999, the Deputy Sheriff, garnished the Citibank and Metrobank accounts of respondent Marguerite Lhuillier and levied on a parcel of land belonging to her located in Mandaue City.

On April 20, 1999, petitioners filed with the same Regional Arbitration Branch VII, Cebu City, a motion for the release to them of respondent's cash bond earlier posted by her in connection with her appeal to the NLRC from the adverse decision of Labor Arbiter Velasquez, Jr. On the very same day, respondent Labor Arbiter Aniñon issued an Order directing the release of the cash bond to the petitioners. Petitioners received the amount of P748,411.34.

Then, on May 14, 1999, respondents Alvarez Cañete Lopez Pangandoyon Ahat & Paredes Law Offices, through respondent Atty. Wilfredo S. Pangandoyon, Jr., filed with Labor Arbiter Nicasio C. Aniñon, on behalf of Marguerite Lhuillier, a motion[5] to lift or set aside the writ of garnishment alleging that the garnished accounts were not in the name of Marguerite Lhuillier alone but were joint accounts with Christopher Darza and Claudine Darza. The motion further claims that the writ of execution was directed only against Agencia Cebuana, hence, not even Marguerite Lhuillier can be made personally liable thereunder.

Petitioners vigorously opposed the motion to lift, arguing that respondents Alvarez Cañete Lopez Pangandoyon

Ahat & Paredes Law Offices have no legal personality to represent Marguerite Lhuillier as they are not her counsels on record. Petitioners point out that the counsels on record for Marguerite Lhuillier are Atty. Amadeo D. Seno and Atty. Luis V. Diores and that there had been no proper substitution of counsel made. Moreover, petitioners claim in the same opposition that the garnished bank accounts are not joint accounts but are accounts only in the name of Marguerite Lhuillier, who, contrary to the allegations in the motion, is just as liable under the writ as Agencia Cebuana.

In a resolution dated June 10, 1999, respondent Labor Arbiter Nicasio C. Aniñon granted the motion to lift or set aside the writ of garnishment and directed the Deputy Sheriff to enforce this Court's Decision in G.R. No. 105892 only on the properties of Agencia Cebuana.

On June 21, 1999, petitioners appealed the aforementioned resolution of Labor Arbiter Aniñon to the NLRC. Subsequently, they also filed with this Court the instant petition for "civil and criminal contempt and other disciplinary sanctions; inhibition of the respondent labor arbiter; final computation of the exact figure of petitioners' monetary awards including separation pay; with request to consolidate petitioners' recent appeal filed with the [NLRC] to this instant petition." In sum, petitioners submit that the collective acts of the public and private respondents constitute contempt of this Court in that they thwarted the implementation of the final and executory Decision of the Court in G.R. No. 105892.

First off, it greatly saddens the Court that petitioner employees, who were illegally dismissed way back in 1990 -- seventeen (17) years before this date -- have yet to be fully compensated for the injustice that had befallen them almost two decades ago despite the final and executory judgment of this very Court in their favor. It is in the interests of justice, therefore, that the Court must make conclusive clarifications as to the execution of its final Decision against respondent Marguerite Lhuillier.

In an individual proprietorship, the owner has unlimited personal liability for all the debts and obligations of the business.^[6] As sole proprietor of Agencia Cebuana, from whose employment the petitioners were unlawfully removed, Marguerite Lhuillier is the party against whom the Court's final and executory Decision in G.R. No. 105892 is enforceable. Put differently, Marguerite Lhuillier is personally liable under the same Decision. Garnishment and levy over her property are proper in the dispensation of justice.

Be that as it may, we do not find, however, any contumacious act to have been committed by both the public and private respondents, either individually or collectively. As it were, there was never an attempt on their part to subvert or hold at bay the final implementation of the executory Decision of the Court in the main case. Quite the contrary, recognizing the executory character of this Court's Decision in question, respondent Labor Arbiter Nicasio Aniñon issued a writ of execution for its implementation. For their part, the private respondents did not actually or maliciously resist the writ thus issued. What they opposed was the garnishment of the bank accounts allegedly jointly owned by respondent Marguerite Lhuillier and two others, not the writ of execution itself. We hold, however, that such accounts, even if joint as claimed by the private respondents, are subject to garnishment. It is in the nature of joint accounts that anyone of the depositors has access to the entire funds therein. If, afterwards, there should be squabbling amongst the supposed joint depositors as to the share of each, they can sort it out amongst themselves.

We reiterate for the purpose of clarity that private respondent Marguerite Lhuillier is personally liable under this Court's Decision in dispute. Her co-respondent Agencia Cebuana is a sole proprietorship without a juridical personality of its own. But while the position taken by the public and private respondents that the judgment in question is not enforceable against respondent Marguerite Lhuillier, but solely against Agencia Cebuana is wrong, they are not liable for contempt.

For one, the filing of the respondent law firm of Alvarez Cañete Lopez Pangandoyon Ahat & Paredes Law Offices of its motion to lift the order of garnishment cannot be adjudged contumacious simply because they do not appear as counsel of record of respondent Marguerite Lhuillier/Agencia Cebuana. Their engagement to file that particular motion does not appear to be a replacement or substitution of counsel where the withdrawal or consent of former counsel is required. There was no intention on their part to replace or substitute the counsels on record of Marguerite Lhuillier and/or Agencia Cebuana. For sure, the services of the counsels on record were never terminated. In this light, we are inclined to believe that the engagement of the law firm of Alvarez Cañete Lopez Pangandoyon & Paredes Law Offices appears to have been on collaborative effort basis. Besides, it is settled rule in our jurisdiction that a lawyer is presumed to be properly authorized to represent any cause in which he appears.[7] It is hard to imagine that the respondent law firm who has no personal interest in the case would fight for and defend a case with persistence and vigor if it had not been authorized or employed by the party concerned.[8] Besides, it must be stressed that the respondent law firm merely filed a motion to lift the order of garnishment, an appearance which is basically limited in character.

On the part of the respondent Labor Arbiter, it appears clear to us that it was never his intent to defy the final and executory Decision of this Court in the main case, much less to delay its enforcement. He did, after all, issue a writ of execution on April 8, 1999. Not only that. When the petitioners filed their motion for the release to them of respondent's cash bond in connection with her appeal to the NLRC from the earlier adverse decision of Labor Arbiter Velasquez Jr., respondent Labor Arbiter Nicasio C. Aniñon issued an order directing such release that very same day and petitioners did receive the amount of P748,411.34. Hence, the Decision of this Court in question had, in fact, already been partially executed. For this reason, we do not see the need for the inhibition of Labor Arbiter Nicasio Aniñon in the enforcement process of the same Decision. He is, however, directed with all dispatch to satisfy the final and executory Decision of this Court in G.R. No. 105892. The petitioners have waited long enough for the justly deserved fruits of their labor. As regards the companion request of the petitioners for a final computation by the Court of the exact amounts of monetary awards due them under the same Decision, the Court is not inclined to venture thereon considering that said computation had already been done by Labor Arbiter Velasquez, Jr., in his decision of March 11, 1992, as affirmed with modifications by the Court in its Decision in G.R. No. 105892.

IN VIEW WHEREOF, and finding no contumacious act on the part of the herein respondents, the instant petition is DISMISSED but the respondent Labor Arbiter Nicasio C. Aniñon is DIRECTED to IMMEDIATELY IMPLEMENT this Court's Decision in G.R. No. 105892.

No Costs.

SO ORDERED.

Puno, C.J., (Chairperson), Sandoval-Gutierrez, Corona, and Azcuna, JJ., concur.

[1] Penned by then Associate Justice Artemio V. Panganiban (now a retired Chief Justice), with then Chief Justice Andres R. Narvasa (retired), and Associate Justices Flerida Ruth P. Romero, Jose A. R. Melo, and Ricardo J. Francisco (all retired), concurring; rollo, pp. 107-142; 285 SCRA 149.

[2] Rollo, pp. 64-93.

[3] Supra note 1.

[4] Rollo, pp. 152-153.

[5] Id. at 162-163.

[6] Campos, Jose C., Jr. and Lopez-Campos, Maria Clara, The Corporation Code: Comments, Notes and Selected Cases, Vol. I, Central Lawbook Publishing Co., Inc., Quezon City (1990), p. 7.

[7] RULES OF COURT, Rule 138, Sec. 21.

[8] Mercado v. Ubay, G.R. No. 35830, July 24, 1990, 187 SCRA 719.

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