D' ARMOURED SECURITY AND INVESTIGATION AGENCY, INC., PETITIONER, VS. ARNULFO ORPIA, LODUVICO ABUCEJO, ROWEL AGURO, EFREN ALMOETE, ROMEO AMISTA, WARLITO BALAGOSA, ROMEO BALINGBIN...

G.R. NO. 151325. June 27, 2005

Ponente: SANDOVAL-GUTIERREZ, J.

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SANDOVAL-GUTIERREZ, J.:

For resolution is a petition for review on certiorari under Rule 45 of the 1997 Rules of Civil Procedure, as amended, assailing the Decision[1] dated December 18, 2001 rendered by the Court of Appeals in CA-G.R. SP No. 61799, entitled "D'Armoured Security and Investigation Agency, Inc. vs. National Labor Relations Commission, Arbiter Ariel C. Santos, NLRC Sheriff Ricardo Perona, Arnulfo Orpia, Ludovico Abucejo, Rowel Aguro, Efren Almoete, Romeo Amista, Warlito Balgosa, Romeo Balingbing, Ramon Barroa, Monteclaro Batawil, Arnel Bon, Ricardo Capentes, Danilo Dada, Joel dela Cruz, Hernando delos Reyes, Florentino delos Trino, Rogelio Duerme, Nonito Estrellado, Joseph Falceso, Isidro Flores, Victor Gungon, Sonny Julba, Patricio Lacana, Jr., Felix Lascona, Juanito Luna, Raul Lozadas, Rommel Magbanua, Rogelio Maribung, Nicolas Mendoza, Ezvener Ogana, Ricky Orano, Reynaldo Ozaraga, Samuel Padilla, Edwin Parreno, Ireneo Partolan, Juan Pigtuan, Guillermo Pusing, Rodel Sibal, Silvestre Soledad, Jovener Tever, Virgilio Timajo, Emilio Tomarong, Jr., Virgilio Verdeflor and Joerex Victorino."

On February 9, 1995, the above-named respondents, who were employed as security guards by D'Armoured Security and Investigation Agency, Inc., petitioner, and assigned to Fortune Tobacco, Inc. (Fortune Tobacco), filed with the Labor Arbiter a complaint for illegal dismissal and various monetary claims against petitioner and Fortune Tobacco, docketed as NLRC-NCR Case No. 00-02-01148-95.

On June 11, 1998, the Labor Arbiter rendered a Decision, the dispositive portion of which reads:

> "WHEREFORE, premises considered, all the respondents except Antonio Cabangon Chua are jointly and severally liable to pay complainants the total sum of ONE MILLION SEVENTY SEVEN THOUSAND ONE HUNDRED TWENTY FOUR AND TWENTY NINE CENTAVOS (P1,077,124.29) for underpayment, overtime pay, legal holiday pay, service incentive leave pay, 13th month pay, illegal deduction and refund of firearms bond, as indicated in Annex 'A'.
>
> Finally, ten (10%) percent of all sums owing to complainants is hereby awarded as attorney's fees.
>
> SO ORDERED."

From the said Decision, Fortune Tobacco interposed an appeal to the National Labor Relations Commission (NLRC). Petitioner did not appeal. On March 26, 1999, the NLRC rendered its Decision affirming with modification the assailed Arbiter's Decision in the sense that the complaint against Fortune Tobacco was dismissed. This Decision became final and executory. Thus, the award specified in the Decision of the Arbiter

became the sole liability of petitioner.

The records were then remanded to the Arbiter for execution.

Upon respondents' motion, the Arbiter issued a writ of execution. Eventually, the sheriff served a writ of garnishment upon the Chief Accountant of Foremost Farms, Inc., a corporation with whom petitioner has an existing services agreement. Thus, petitioner's receivables with Foremost were garnished.

Petitioner filed with the NLRC a "Motion to Quash/Recall Writ of Execution and Garnishment" which was opposed by respondents.

On March 10, 2000, the Arbiter issued an Order denying the motion and directing the sheriff to release the garnished sum of money to respondents pro rata.

Petitioner's motion for reconsideration was denied, hence, it interposed an appeal to the NLRC.

In a Resolution dated July 27, 2000, the NLRC dismissed the appeal for petitioner's failure to post a bond within the reglementary period. Its motion for reconsideration was denied in a Resolution dated September 25, 2000.

Forthwith, petitioner filed with the Court of Appeals a petition for certiorari and prohibition with prayer for issuance of a writ of preliminary injunction.

In a Decision dated December 18, 2001, the Court of Appeals dismissed the petition.

Hence, this petition for review on certiorari.

In this petition, the issue posed is whether the Court of Appeals erred in holding that petitioner's monthly receivables from the Foremost Farms, Inc. (garnishee) are not exempt from execution.

The petition lacks merit. We have ruled that an order of execution of a final and executory judgment, as in this case, is not appealable, otherwise, there would be no end to litigation.[2] On this ground alone, the instant petition is dismissible.

Assuming that an appeal is proper, still we have to deny the instant petition. Section 1, Rule IV of the NLRC Manual on Execution of Judgment provides:

"Rule IV
EXECUTION

> SECTION 1. Properties exempt from execution. – Only the properties of the losing party shall be the subject of execution, except:
>
> (a) The losing party's family home constituted in accordance with the Civil Code or Family Code or as may be provided for by law or in the absence thereof, the homestead in which he resides, and land necessarily used in connection therewith, subject to the limits fixed by law;
>
> (b) His necessary clothing, and that of his family;
>
> (c) Household furniture and utensils necessary for housekeeping, and used for that purpose by the losing party such as he may select, of a value not exceeding the amount fixed by law;
>
> (d) Provisions for individual or family use sufficient for three (3) months;
>
> (e) The professional libraries of attorneys, judges, physicians, pharmacists, dentists, engineers, surveyors, clergymen, teachers, and other professionals, not exceeding the amount fixed by law;

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> (f) So much of the earnings of the losing party for his personal services within the month preceding the levy as are necessary for the support of his family;
>
> (g) All monies, benefits, privileges, or annuities accruing or in any manner growing out of any life insurance;
>
> (h) Tools and instruments necessarily used by him in his trade or employment of a value not exceeding three thousand (P3,000.00) pesos;
>
> (i) Other properties especially exempted by law."

The above Rule clearly enumerates what properties are exempt from execution. It is apparent that the exemption pertains only to natural persons and not to juridical entities. On this point, the Court of Appeals correctly ruled that petitioner, being a corporate entity, does not fall within the exemption, thus:

> "We cannot accede to petitioner's position that the garnished amount is exempt from execution.
>
> Section 13 of Rule 39 of the Rules of Court is plain and clear on what properties are exempt from execution. Section 13 (i) of the Rules pertinently reads:
>
> 'SECTION 13. Property exempt from execution. – Except as otherwise expressly provided by law, the following property, and no other, shall be exempt from execution:
>
> x x x x x x x x x
>
> (i) So much of the salaries, wages or earnings of the judgment obligor for his personal services within the four months preceding the levy as are necessary for the support of his family.'

The exemption under this procedural rule should be read in conjunction with the Civil Code, the substantive law which proscribes the execution of employee's wages, thus:

'ART. 1708. The laborer's wage shall not be subject to execution or attachment, except for debts incurred for food, shelter, clothing and medical attendance.'

Obviously, the exemption under Rule 39 of the Rules of Court and Article 1708 of the New Civil Code is meant to favor only laboring men or women whose works are manual. Persons belonging to this class usually look to the reward of a day's labor for immediate or present support, and such persons are more in need of the exemption than any other [Gaa vs. Court of Appeals, 140 SCRA 304 (1985)].

In this context, exemptions under this rule are confined only to natural persons and not to juridical entities such as petitioner. Thus, the rule speaks of salaries, wages and earning from the 'personal services' rendered by the judgment obligor. The rule further requires that such earnings be intended for the support of the judgment debtor's family.

Necessarily, petitioner which is a corporate entity, does not fall under the exemption. If at all, the exemption refers to petitioner's individual employees and not to petitioner as a corporation.

x x x. Parenthetically, in a parallel case where a security agency claimed that the guns it gives to its guards are tools and implements exempt from execution, the Supreme Court had the occasion to rule that the exemption pertains only to natural and not to juridical persons, thus:

'However, it would appear that the exemption contemplated by the provision involved is personal, available only to a natural person, such as a dentist's dental chair and electric fan (Belen v. de Leon, G.R. No. L-15612, 30 Nov. 1962). As pointed out by the Solicitor General, if properties used in business are exempt from execution, there can hardly be an instance when a judgment claim can be enforced against the business entity' [Pentagon Security and

Investigation Agency vs. Jimenez, 192 SCRA 492 (1990)].

It stands to reason that only natural persons whose salaries, wages and earnings are indispensable for his own and that of his family's support are exempted under Section 13 (i) of Rule 39 of the Rules of Court. Undeniably, a corporate entity such as petitioner security agency is not covered by the exemption.

WHEREFORE, the petition is hereby DISMISSED.

SO ORDERED."

WHEREFORE, the petition is DENIED. The assailed Decision dated December 18, 2001 of the Court of Appeals in CA-G.R. SP No. 61799 is AFFIRMED IN TOTO. Costs against petitioner.

SO ORDERED.

Panganiban, (Chairman), Corona, Carpio-Morales, and Garcia, JJ., concur.

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[1] Penned by Justice Oswaldo D. Agcaoili (retired) and concurred in by Justice Jose L. Sabio, Jr. and Justice Mariano C. Del Castillo, Annex "I" of the Petition, Rollo at 149-157.

[2] See Baluyot vs. Guiao, G.R. No. 136294, September 28, 1999, 315 SCRA 396, cited in King Integrated Security Services, Inc. vs. Gatan, G.R. No. 143813, July 7, 2003, 405 SCRA 376, 378.

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