RIZAL COMMERCIAL BANKING CORPORATION, PETITIONER, VS. LEONARDO BITHAO, RESPONDENT.

G.R. NO. 162240. August 29, 2006

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QUISUMBING, J.:

This is a petition for review under Rule 45 of the 1997 Rules of Civil Procedure filed by petitioner Rizal Commercial Banking Corporation seeking the nullification of the Resolution[1] dated February 3, 2004 of the Court of Appeals in CA-G.R. SP No. 56759.

The facts are not in dispute.

Respondent Leonardo Bithao filed with the National Labor Relations Commission (NLRC) a complaint docketed as NLRC NCR Case No. 00-10-07759-94 for illegal dismissal, illegal suspension, recovery of 13[th] month pay, rice subsidy and salary differential, damages, and attorney's fees. After the parties submitted their pleadings, the Labor Arbiter rendered a decision, in this wise:

> WHEREFORE, premises considered, judgment is hereby rendered in favor of the complainant as follows:
>
> - Declaring the suspension and eventual dismissal of the complainant illegal;
>
> - Ordering the respondents to immediately reinstate the complainant to his former position without loss of seniority rights and other benefits;
>
> - Ordering the respondents to pay to complainant his backwages and other benefits appurtenant to his position;
>
> - Ordering respondents to pay complainant moral and exemplary damages of P150,000.00 and attorney's fees equivalent to 10% of the total amount due.
>
> Attached is the detailed computation which is marked as annexes "A", "A-1", "A-2", "A-3" of the backwages and other benefits per collective bargaining agreement as of December 31, 1998.
>
> SO ORDERED.[2]

Petitioner Rizal Commercial Banking Corporation appealed to the NLRC. However, except for deleting the award of moral and exemplary damages, and attorney's fees, the NLRC affirmed the Labor Arbiter's decision.

Petitioner filed a petition for certiorari with the Court of Appeals. On November 7, 2000, the appellate court affirmed the decisions of both the Labor Arbiter and the NLRC.[3] Before the parties could receive their copies of the decision, respondent executed a Release, Waiver and Quitclaim. Petitioner then simultaneously filed with the NLRC and the Court of Appeals a Satisfaction of Judgment and a Motion to Dismiss, respectively.

Upon receipt of the decision, petitioner filed another Motion to Dismiss which the appellate court granted. The petition was thus declared closed and terminated. Respondent filed a Motion for Reconsideration alleging that the amount he received from petitioner under the quitclaim represented only his retirement pay and benefits, and not the backwages awarded by the Labor Arbiter.

Meanwhile, the NLRC granted the Satisfaction of Judgment and declared the case closed and terminated. It also denied respondent's Motion for Reconsideration.

On the other hand, the Court of Appeals granted respondent's Motion for Reconsideration.

Hence, this appeal on the ground that:

> THE COURT OF APPEALS SERIOUSLY ERRED IN SETTING ASIDE ITS PREVIOUS RESOLUTION TAKING COGNIZANCE OF THE AMICABLE SETTLEMENT VOLUNTARILY EXECUTED BETWEEN THE PETITIONER AND THE RESPONDENT, AND ERRED IN CONCLUDING THAT THE MONETARY AWARDS IN THE DECISION OF THE LABOR ARBITER DATED 28 JANUARY 1999 AND AS AFFIRMED IN THE RESOLUTION OF THE NLRC DATED 31 AUGUST 1999, WERE NOT DEEMED INCLUDED AND WAIVED BY THE RESPONDENT IN THE QUITCLAIM.[4]

Petitioner claims that, (1) when respondent executed the quitclaim, the decisions of both the Labor Arbiter and the NLRC were still pending review by the Court of Appeals; (2) respondent expressly acknowledged and waived in the quitclaim all amounts due him based on the Labor Arbiter's decision in NLRC NCR Case No. NCR-00-10-07759-94, and the NLRC's resolution in CA No. 019714-99; and (3) respondent voluntarily executed the quitclaim, with full knowledge of its terms and consequences.

It is worthy of note that the Court of Appeals ruled that the amount received by respondent represented only his early retirement benefits and other (additional) benefits because no specific amount was allocated specifically for the Labor Arbiter's judgment award. It further held that respondent was merely forced to sign the quitclaim because petitioner withheld the release of his retirement benefits unless he signed the quitclaim.

Under Rule 45 of the 1997 Rules of Civil Procedure, only questions of law, not of fact, may be raised before this Court.[5] We have consistently reiterated that the findings of fact by the Court of Appeals are final and conclusive and cannot be reviewed on appeal to the Supreme Court. The only time this Court will disregard the appellate court's factual findings, which are accorded great respect, is when these are based on speculation, surmises or conjectures or when these are not based on substantial evidence.[6]

In the present petition, we find no reason to depart from the appellate court's factual findings. We agree with the Court of Appeals that the amount received by respondent represented only payment for his early retirement benefits and other (additional) benefits since no amount was specifically allocated for the Labor Arbiter's judgment award. There is nothing to support the claim that the judgment award was included in the amount received by respondent. The amount received merely refers to respondent's early retirement benefits and other benefits. The Release, Waiver and Quitclaim, reads in part:

> I, LEONARDO R. BITHAO, of legal age, Filipino and with address at Blk. 35, Lot 10 Phase 1A Kaunlaran Village, Navotas, Metro Manila do, by these presents, acknowledge that I have agreed to receive the amount of P1,295,998.16 as full and final settlement of any and all claims I may have against the Bank arising from or connected with my previous employment with it and/or the cessation of my said employment, including all amounts due me by reason of Labor Arbiter Ramon Valentin C. Reyes's Decision dated 28 January 1999 in Case No. NCR-00-10-07759-94 and the NLRC's Resolution dated 31 August 1999 in CA No. 019714-99.
>
> In consideration of my receipt of the above amounts and benefits –
> 1. I acknowledge that the amounts specified below set forth payment of all amounts and benefits due me or my heirs from the Bank arising from my separation from the Bank or any agreement, contract or plan or in respect of any matter incident to or arising from my previous employment with the Bank or the cessation of my employment with it:
>
> Early Retirement Benefits

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P 968,025.40

Additional Benefits

P 327,972.76

Total Payment

P1,295,998.16 [7]

x x x x

Respondent's quitclaim to the effect that the amount stated therein was the full and final settlement of all his claims, including all the amounts due him by reason of the decisions of the Labor Arbiter and the NLRC, does not mean that he actually received the judgment award. Very clearly, the same document indicates that the amount was only for his early retirement benefits and additional benefits. Nowhere does the document say that a portion of the sums received pertain to the judgment award.

We are also unconvinced by petitioner's claim that respondent could not have retired on July 31, 2000 since the legality of his dismissal was still pending resolution at that time. We note that the Memorandum dated July 24, 2000,[8] coming from petitioner's Human Resources Administration Department, included respondent in the 2000 Special Retirement Program and the Department approved his retirement effective on July 31, 2000. Since his retirement was approved, and the retirement program included only employees in good standing, it presupposes that petitioner was of good standing. Otherwise, respondent's application should have been denied or held in abeyance. Further, if indeed the P1,295,998.16 included the judgment award,[9] then petitioner should not have withheld the amount pending the Court of Appeals' decision, for after all, as they claim, the amount P1,295,998.16 already included the judgment award.[10]

Moreover, we are inclined to agree with the appellate court that petitioner took undue advantage of respondent's predicament and dire financial needs to let him sign the quitclaim in exchange for his retirement benefits.[11] The subordinate position of the individual employee vis-à-vis management renders him especially vulnerable to the employer's financial importuning, and at times even intimidation. In certain cases, we note that the desperate family situation of an employee forces him to improvidently waive his benefits. Thus, we have always looked upon quitclaims, waivers or releases with disfavor for being contrary to public policy, hence ineffective to bar claims for the full measure of the workers' legal rights.[12]

In Periquet v. National Labor Relations Commission,[13] however, we clarified the standards for determining the validity of a waiver, release and quitclaim as follows:

> 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 instant case, when the quitclaim was executed, petitioner's appeal before the Court of Appeals was still pending. Since both the Labor Arbiter and the NLRC have previously ruled in respondent's favor, petitioner was aware of the slim chances it had before the appellate court. Under these circumstances, when the quitclaim was offered and accepted, petitioner could not deny that the quitclaim was in its own interest. For respondent, it was not so. The Latin maxim renuntiatio non praesumitur,[14] in our view, applies in this instance.

WHEREFORE, the instant petition is DENIED for lack of merit. The Resolution dated February 3, 2004 of the Court of Appeals in CA-G.R. SP No. 56759 is hereby AFFIRMED.

Consequently, the Resolutions of the NLRC dated December 4, 2001, and January 28, 2002, granting the Satisfaction of Judgment and dismissing respondent's Manifestation and Motion for Issuance of Writ of Execution are hereby SET ASIDE.

Costs against petitioner.
SO ORDERED.

Carpio, Carpio Morales, Tinga and Velasco, Jr., JJ., concur.

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[1] Rollo, pp. 35-41. Penned by Associate Justice Bienvenido L. Reyes, with Associate Justices Ruben T. Reyes, and Rodrigo V. Cosico concurring.

[2] Records, pp. 223-237.

[3] CA rollo, pp. 235-247.

[4] Rollo, p. 18.

[5] See Reyes, Jr. v. Court of Appeals, G.R. No. 127703, January 18, 2002, 374 SCRA 86, 92; National Power Corporation v. Court of Appeals, G.R. No. 106804, August 12, 2004, 436 SCRA 195, 208; New Sampaguita Builders Construction, Inc. (NSCIB) v. Philippine National Bank, G.R. No. 148753, July 30, 2004, 435 SCRA 565, 579-580; Solangon v. Salazar, G.R. No. 125944, June 29, 2001, 360 SCRA 379, 383.

[6] Samahan ng Magsasaka sa San Josep v. Valisno, G.R. No. 158314, June 3, 2004, 430 SCRA 629, 635.

[7] Records, p. 362.

[8] Rollo, p. 69.

[9] Id. at 98. Again, prior to [the] 27 September 2000 amicable settlement, the Resolution of the Court of Appeals on the Bank's petition for certiorari could have gone either way. Before the settlement, it was still possible for the Court of Appeals to sustain the petition by setting aside the decision of the NLRC and declaring that respondent was legally dismissed. In such a situation, respondent could not have obtained a single centavo, much less get the substantial amount of P1,295,998.16 which the respondent received pursuant to the Quitclaim and not under the Special Retirement Program as wrongly averred by the respondent (Emphasis supplied).

[10] Id. at 97. Certainly, if the Court of Appeals had reversed the Decision and Resolution of the NLRC, respondent [Bithao] would have been considered legally terminated on 11 October 1994 and thus, he would not be entitled to the retirement benefits under the program. Clearly, an employee who is terminated on just and valid grounds is not entitled to the benefits arising from the Special Retirement Program. It is for this reason alone, and not due to some insidious machinations as imagined and insisted upon by respondent, that petitioner decided to withhold the grant of retirement benefits to await the final determination of the courts (Emphasis supplied).

[11] Id. at 40.

[12] Lambo v. National Labor Relations Commission, G.R. No. 111042, October 26, 1999, 317 SCRA 420, 429-430.

[13] G.R. No. 91298, June 22, 1990, 186 SCRA 724, 730-731.

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[14] "A waiver of rights is not presumed." ACD Investigation Security Agency, Inc. v. Daquera, G.R. No. 147473, March 30, 2004, 426 SCRA 494, 501.

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