

**ROLANDO V. AROMIN, PETITIONER, VS. NATIONAL LABOR
RELATIONS COMMISSION, BANK OF THE PHILIPPINE ISLANDS,
XAVIER P. LOINAZ, PRESIDENT, AND EDMUNDO A. BARCELON,
SENIOR VICE-PRESIDE...**

G.R. No. 164824. April 30, 2008

Ponente: VELASCO JR., J.

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VELASCO JR., J.:

The Case

In this Petition for Review on Certiorari under Rule 45, petitioner Rolando V. Aromin assails and seeks to nullify the Decision[1] dated April 15, 2004 of the Court of Appeals (CA) in CA-G.R. SP No. 77016, as effectively reiterated in its Resolution[2] of August 3, 2004, affirming the Resolutions of April 29, 1998 and February 28, 2003 of the National Labor Relations Commission (NLRC) in NLRC NCR CA 010693-96.

The Facts

Aromin worked for respondent Bank of the Philippine Islands (BPI) for 26 years, rising from the ranks to become an assistant vice-president (AVP) in 1980, a position he held until his termination from the service.

Aromin headed the BPI's Real Property Management Unit (RPMU) when the botched purchase by Limketkai Sons Milling, Inc. (Limketkai) of a trust asset held by BPI happened. The failed transaction was the subject matter in *Limketkai Sons Milling, Inc. v. Court of Appeals*. [3]

The trust asset (Pasig property) adverted to, a 33,056-square meter expanse located at Barrio Bagong Ilog, Pasig City and covered by Transfer Certificate of Title No. 493122, belonged to Philippine Remnants Co., Inc. (Philrem). On June 23, 1988, BPI, with Philrem's concurrence, authorized Pedro Revilla, Jr., a licensed real estate broker of Assetrade, to sell the subject lot for PhP 1,000 per square meter.

On July 8, 1988, Aromin, as then head of BPI's RPMU, permitted Limketkai and Revilla to inspect the Pasig property. The next day, Revilla informed BPI he has a buyer in Limketkai. On July 11, 1988, brothers Alfonso Lim and Albino Limketkai met with Aromin and BPI Vice-President Merlin Albano to negotiate and discuss whether they can pay the purchase price on terms instead of in cash. On the same date, Limketkai wrote BPI offering the amount of PhP 33,056,000 for the property.

A few days after, Limketkai, apprised that BPI had deferred action on what it considered as a done deal, tendered full payment for the property but BPI refused to receive payment. Alleging that there was already a meeting of contracting minds during the July 11, 1988 negotiation session or, in effect, a perfected contract of sale, Limketkai, in a bid to consummate the sale, wrote BPI several letters, but to no avail. Consequently, on August 25, 1988, Limketkai filed a suit for specific performance against BPI and its officers before the Regional Trial Court (RTC) in Pasig City. Docketed as Civil Case No. 56316, the complaint was later raffled to Branch 151 of

the court.

Asked to comment on the material allegations of the said complaint, Aromin and Albano sent to the BPI Legal Services Division a September 6, 1988 memorandum[4] embodying the desired comments.

On the heels of the filing of the above suit, BPI Senior VP Edmundo A. Barcelon, herein respondent, asked Aromin to explain certain instances of alleged problems and inefficiencies in the RPMU. Aromin complied via a memorandum[5] dated September 23, 1988.

On February 9, 1989, Aromin received another memorandum[6] from BPI Assistant Manager Caridad P. Ibarra, warning him about belated submission of work assignments, tardiness, and unexplained absences. On February 13, 1989, BPI management designated Aromin as Head of the Payroll Section.[7] Another memorandum[8] followed on February 15, 1989, with Barcelon this time informing and warning Aromin about his unsatisfactory performance.

In the course of the trial in Civil Case No. 56316, the complaint was amended to implead the National Book Store (NBS) which had meanwhile bought the property. Despite a subpoena to testify as complainant's hostile witness, Aromin failed to appear in the scheduled November 14, 1990 setting, apparently upon BPI's instructions. In the December 3, 1990 hearing, however, Aromin, in obedience to another subpoena, appeared and testified to the surprise of BPI's legal counsel.

On May 6, 1991, a show-cause memorandum[9] came from Barcelona, giving Aromin five days within which to explain why no disciplinary action shall be taken against him for testifying during the December 3, 1990 hearing. It appears that Aromin's testimony, apart from being inimical to BPI's interests, contradicted what he and Albano wrote, by way of comments, in their September 6, 1988 memorandum. Aromin's explanation to the show-cause order came by way of a memorandum[10] dated May 24, 1991.

As events later unfolded, the RTC found the testimony of Aromin vital in determining a "meeting-of-the-minds" regarding the sale of, and the price for, the Pasig property. On June 10, 1991, the RTC rendered judgment finding for Limketkai, the BPI-NBS sale being annulled and BPI being assessed for damages.

On June 14, 1991, BPI served on Aromin a Notice of Termination,[11] citing willful breach of trust arising from acts that occurred long before his December 3, 1990 court appearance and loss of confidence, as grounds for termination, among others.

On June 28, 1991, Aromin filed before the National Capital Region (NCR) Arbitration Board a complaint for illegal dismissal, reinstatement, payment of backwages, and other employment benefits, damages, and attorney's fees against BPI, respondent Xavier P. Loinaz, its then president, and Barcelon, docketed as NLRC-NCR Case No. 06-03713-91.

The Ruling in NLRC-NCR Case No. 06-03713-91

On January 3, 1996, the Executive Labor Arbiter, on the finding that Aromin was terminated from the service for a just cause, issued a Decision dismissing Aromin's complaint. For humanitarian consideration, however, and taking into account Aromin's length of service with the bank, the labor arbiter awarded Aromin, by way of financial assistance, a sum equivalent to the total of one month salary for every year of service. The fallo of the Decision reads:

WHEREFORE, in view of all the foregoing, Judgment is hereby rendered:

- Dismissing Complainant's charge of illegal dismissal for lack of merit; and

- Ordering the respondent Bank to pay Complainant the sum of P679,729.58 as financial assistance.

All other claims and counterclaims are denied for lack of legal and factual basis.

SO ORDERED.[12]

Explaining his ruling, the labor arbiter stated that Aromin occupied a sensitive bank position that required the employer's full trust and confidence. According to the labor arbiter, Aromin, by his past actions, such as his unsatisfactory performance and poor attendance record, had given BPI more than enough reasons to lose that needed trust and confidence. Foremost of these was his act of giving false testimony in Civil Case No. 56316, given the statements entered in his and Albano's September 6, 1988 memorandum. The falsity, so the labor arbiter declared, referred primarily to Aromin's claim or allegations of being a trust officer when he negotiated with Limketkai for the sale of the Pasig property; of being authorized to agree on the purchase price; that there was a "meeting of minds" between BPI and Limketkai; that he merely counter-signed the September 6, 1988 memorandum when Albano, his superior, prodded him to; that BPI was obligated to sell the Pasig property at PhP 1,000 per square meter since Philrem had already agreed to a sale at that price level; and that the approval of the sale by BPI's Trust Committee was merely "ministerial." Another testimony considered false was one relating to the alteration of the price from PhP 1,000 to PhP 1,100 per square meter in the letter-authority to sell issued to Assetrade.

Unable to accept the above ruling in view of the financial assistance aspect thereof, BPI interposed a partial appeal. Aromin also appealed to the NLRC which docketed the case as NLRC NCR CA 010693-96.

The Ruling of the NLRC in NLRC NCR CA 010693-96
(NLRC-NCR Case No. 06-03713-91)

The January 26, 1998 NLRC Decision

The NLRC saw the dismissal of Aromin in a perspective different from that of the labor arbiter, for, in its Decision of January 26, 1998, the NLRC ordered payment of full backwages and separation pay, in lieu of reinstatement, in favor of Aromin. The dispositive portion of the decision reads:

WHEREFORE, the appeal of respondent [BPI] is Dismissed for want of merit.

On the other hand, the decision of [the] Labor Arbiter is Reversed and Set Aside.

Accordingly, complainant is entitled to payment of full backwages from June 14, 1991 up to the promulgation of this resolution.

Complainant should be awarded separation pay instead of reinstatement at one month for every year of service, a fraction of six months be considered as one whole year.

All other monetary claims are Dismissed for being unsubstantiated.

SO ORDERED.[13]

In this decision, the NLRC noted that the criminal case for false testimony under Article 182 of the Revised Penal Code against Aromin had been dismissed, whereas the RTC's decision in Civil Case No. 56316 was affirmed by this Court on December 1, 1995 in G.R. No. 118509, proof of the veracity of Aromin's testimony in said civil case.

The April 29, 1998 NLRC Resolution

In time, Aromin, desirous to be reinstated, sought reconsideration. BPI also interposed a similar recourse, reiterating its allegations on Aromin's disloyalty and breach of trust and confidence, among other offenses. BPI also faulted the NLRC for not taking judicial notice of the March 29, 1996 Resolution[14] of the Court which set aside its earlier decision dated December 1, 1995, thus overturning an earlier holding on the existence of a perfected Limketkai-BPI contract of sale.

By a Resolution dated April 29, 1998, the NLRC, taking particular stock of the adverted Court's Resolution of March 29, 1996 in G.R. No. 118509, reversed itself and reinstated the decision of the labor arbiter, except as regards the award therein of financial assistance to Aromin which the NLRC ordered deleted. The fallo of the NLRC's reversal action reads:

WHEREFORE, in view of the foregoing, our Decision dated 26 January 1998 is hereby REVERSED and SET ASIDE and a new one rendered AFFIRMING the original Decision dated 03 January 1996 of the Honorable Labor Arbiter Valentin C. Guanio with the modification that respondent [BPI] is no longer under obligation to pay financial assistance to complainant ROLANDO V. AROMIN.

SO ORDERED.[15]

Aromin moved for reconsideration but the motion, per a Resolution[16] dated February 28, 2003, was denied pursuant to the one-motion rule prescribed by Section 15, Rule VII of the 2002 NLRC New Rules of Procedure.

Thus, ascribing grave abuse of discretion on the NLRC, Aromin went to the CA on a petition for certiorari, docketed as CA-G.R. SP No. 77016.

The Ruling of the CA

On April 15, 2004, the CA rendered judgment affirming the appealed resolutions of the NLRC and the premises holding them together, disposing as follows:

WHEREFORE, premises considered, the NLRC resolutions dated on 28 February 2003 and 29 April 1998 are hereby SUSTAINED and the petition DENIED.

SO ORDERED.

Like the NLRC, the CA, among other things, found Aromin to have violated the trust reposed on him by the bank and exacted by the nature of his duties, noting that BPI had complied with the requirements set forth in *Concorde Hotel v. Court of Appeals*[17] for dismissing an employee on the ground of loss of trust. The CA added the observation that Aromin's guilt for acts which amounted to dishonesty militates against his entitlement to financial assistance, as decreed by the labor arbiter.

Significantly, the CA took judicial notice of this Court's March 29, 1996 Resolution in G.R. No. 118509 which made it clear that as early as June 23, 1988 and prior to the negotiation with Limketkai, real estate agent Revilla was authorized to sell the Pasig property at the price of PhP 1,100 per square meter and not PhP 1,000, as Aromin insisted.

Aromin's motion for reconsideration was denied by the appellate court through the assailed Resolution dated August 3, 2004.

The Issues

Hence, the instant petition with Aromin raising the following issues for our consideration:

I.

- THE NLRC AND [CA] HAD NO JURISDICTION TO SUBSTITUTE ITS FINDINGS OF FACTS FROM THE FINDINGS OF FACTS OF THE SUPREME COURT IN THE CASE OF LIMKETKAI SONS MILLING INC. VS. COURT OF APPEALS, 250 SCRA 523, 532 WHICH FOUND THAT THERE WAS NO JUST AND LAWFUL CAUSE FOR PETITIONER'S DISMISSAL.

- PRIVATE RESPONDENTS ABUSED THE PARAMETERS FOR THE LAWFUL EXERCISE OF MANAGEMENT PREROGATIVE IN THE DISMISSAL OF PETITIONER.

II.

PETITIONER'S TOTALITY OF EMPLOYMENT WORK PERFORMANCE AND CONTINUOUS ASSUMPTION OF POSITION AS ASSISTANT VICE PRESIDENT TWO (2) YEARS AFTER THE DISPUTED TRANSACTION ABSOLUTELY NEGATE ANY UNLAWFUL, JUST OR EQUITABLE BASIS FOR HIS DISMISSAL.

III.

PETITIONER'S DISMISSAL WAS WITHOUT DUE PROCESS.

IV.

HAVING BEEN ILLEGALLY DISMISSED PETITIONER IS ENTITLED TO ALL THE RELIEFS PRAYED FOR IN HIS COMPLAINT.[18]

The main issue to be resolved and to which all others must yield is whether or not Aromin was illegally dismissed, given BPI's loss of trust and confidence in him.

The Court's Ruling

The petition is bereft of merit.

Core Issue: No Illegal Dismissal

Aromin argues that the NLRC and the CA had no jurisdiction to substitute their own findings of facts with that of this Court which, in its December 1, 1995 Decision, supposedly found his dismissal not for a lawful cause. In particular, Aromin takes umbrage to the finding of both the CA and NLRC that he gave false and damaging testimony when, as a matter of fact, the criminal case against him for false testimony had already been dismissed. According to him, he cannot be sanctioned for speaking out the truth and that any damage resulting from his testimony would fall under the category of *damnum absque injuria*.

Aromin also contends that his over-all work performance and his continuous exercise of the duties as AVP two years after the botched sale transaction argue against the existence of any lawful basis for his dismissal. And shifting to another point, Aromin alleges that BPI, without regard to the imperatives of due process, went straight full ahead with his dismissal without hearing and without so much as apprising him of the particular acts or omissions for which he was eventually dismissed.

After a review of the circumstances surrounding the case and the evidence on record, we are inclined to affirm, with minor modification, the appealed CA decision and resolution.

Petitioner Validly Dismissed for Loss of Confidence

As we held in *Mabeza v. National Labor Relations Commission*,^[19] loss of confidence, as a ground for dismissal, is premised on the fact that the employee concerned holds a position of responsibility or of trust and confidence.

As such, the employee must be invested with confidence on delicate matters, such as the custody, handling, or care of the employer's money and other assets. We further held in *Mabeza*:

Loss of confidence as a just cause for dismissal was never intended to provide employers with a blank check for terminating their employees. Such a vague, all-encompassing pretext as loss of confidence, if unqualifiedly given the seal of approval by this Court, could readily reduce to barren form the words of the constitutional guarantee of security of tenure. Having this in mind, loss of confidence should ideally apply only to cases involving employees occupying positions of trust and confidence or to those situations where the employee is routinely charged with the care and custody of the employer's money or property. To the first class belong managerial employees, i.e., those vested with the powers or prerogatives to lay down management policies [effect personnel movements] x x x or effectively recommend such managerial actions; and to the second class belong cashiers, auditors, property custodians, etc., or those who, in the normal and routine exercise of their functions, regularly handle significant amounts of money or property.[20] (Emphasis ours.)

Being, during the period material, an AVP, Aromin doubtless falls under the category of a managerial employee upon whom trust and confidence had been reposed by the employing bank. Violating that trust and confidence is a valid cause for dismissal under Art. 282[21] of the Labor Code.

But while employers are given a wide latitude of discretion in the termination of services of managerial employees for loss of confidence, there must be substantial proof thereof. This means that the employer must clearly and convincingly establish the charges, or, in fine, the facts and incidents upon which the loss of confidence may fairly be made to rest,[22] that is, it must be based on a willful breach of trust and founded on clearly established or proven facts.[23] Moreover, loss of confidence, as a ground for termination, should not be (1) simulated; (2) used as a subterfuge for causes which are improper, illegal, or unjustified; (3) arbitrarily asserted; and (4) a mere afterthought to justify earlier action taken in bad faith.[24]

With the foregoing parameters in mind, an assiduous review of the antecedent facts and the evidence on record readily yields the conclusion that BPI had indeed a valid case for dismissal against Aromin on the ground of loss of confidence.

Ground for Loss of Confidence Duly Proven

There is no dispute about the fact of Aromin and Albano signing the September 6, 1988 memorandum that embodied their joint comments to what Limketkai averred in its complaint in Civil Case No. 56316. In said memorandum, Aromin and Albano, refuting Limketkai's averments, stated, in gist, the following:

- 1) They made it clear to Limketkai that securing the approval of BPI's Trust Committee for the sale in cash or terms of the Pasig property is imperative;
- 2) They only assisted Limketkai on the tenor of the letter-offer to be submitted to the Trust Committee;
- 3) They gave no assurance on the approval by the BPI Trust Committee of the term payment proposal of Limketkai, but instead made it clear to the latter that they can only recommend approval;
- 4) The allegation depicting Limketkai as having tendered payment to Albano is not true; and
- 5) Limketkai was directed to deal with Vice-President Nelson Bona as Albano and Aromin were no longer the authorized handling officers for the Pasig property sale.

What Aromin said while in the witness box on December 3, 1990 was evidently inconsistent with, if not the exact opposite of, what he represented in his September 6, 1988 memorandum. Consider: Aromin testified that he and Albano were authorized to sell the Pasig property; that there was a perfected contract of sale as they have agreed on the purchase price of the property;[25] and that what was submitted for the approval of the Trust Committee

related only to the proposed term payment.[26] As a measure to extricate himself from the effects of the September 6, 1988 memorandum, Aromin testified having just been made to countersign the document prepared by Albano.

Needless to stress, the position assumed and the answers given by Aromin when he testified proved to be adverse to his employer's interest, as evidenced by the RTC's decision which, in finding for Limketkai, gave much to Aromin's testimony. BPI's legal unit or counsel, which relied on and crafted the bank's answer to Limketkai's complaint along the lines embodied in the September 6, 1988 memorandum of Aromin and Albano, was doubtless placed in an embarrassing situation by the otherwise backhanded tactics employed by Aromin.

We can concede hypothetically that Aromin's testimony reflected the truth about the circumstances surrounding the sale or proposed sale in question, while the September 6, 1988 memorandum did not so reflect, in which case he was under no moral and legal obligation to hide the truth. In his favor, it can be argued that he was testifying under pain of a perjury suit if he lied, while the memorandum he signed was not under oath. On the other hand, however, why would he, an employee, not be candid with his employer whose interests he is expected to uphold unless he has something to hide?

At any rate, Aromin's testimony in Civil Case No. 56316 on the "meeting of the minds" between BPI, represented by Aromin and Albano, and Limketkai, having come to pass during the July 11, 1988 discussion, is peremptorily belied by the Court's Resolution[27] of March 29, 1996 in G.R. No. 118509. In it, the Court declared that the documentary pieces of evidence adduced in the case militate against the existence of a BPI-Limketkai perfected contract of sale. Corollarily, such declaration provides a complementary dimension to the September 6, 1988 memorandum of Aromin and Albano which, to repeat, posits the non-existence of such perfected contract. We can logically say, therefore, that the testimony of Aromin on such perfection of the contract was inaccurate and completely false.

Aromin's contention that he merely signed, upon Albano's urging, but had no hand in the preparation of the September 6, 1988 memorandum cannot be accorded credence. For one, it is hardly believable that a lettered man occupying a responsible position, like Aromin, would affix his signature on a document containing false entries. For the other, Albano, as found by the labor arbiter, had at that time just assumed the top position in RPMU. Hence, as aptly observed by the labor arbiter, Albano could not have plausibly mentioned in the second page of the memorandum that:

[W]e have conveyed an understanding that we will recommend for approval of the TrustCom the terms and conditions that the plaintiff is willing to offer and which the undersigned believe to be acceptable, based on previous TrustCom approvals on previous sales of properties owned by the same trust account.[28] (Emphasis ours.)

since it was Aromin who had been with RPMU for some years and was familiar with such transactions and sale recommendations forwarded to the Trust Committee.

In all then, we agree with the parallel factual conclusions of the labor arbiter, NLRC, and CA on what they considered as false statements made by Aromin before the RTC on December 3, 1990. These statements were distinctly set forth in the decision of January 3, 1996 of the labor arbiter in NLRC-NCR Case No. 06-03713-91. We need only to highlight one: that there was "meeting of the minds" between BPI and Limketkai, or, in net effect, a perfected contract of sale involving the Pasig property.

No Finding of Illegal Dismissal in G.R. No. 118509

Aromin's reliance on the Court's December 1, 1995 Decision in G.R. No. 118509 to support his underlying

complaint for illegal dismissal is misplaced. He cannot validly seek refuge in what the Court said in the same decision that:

x x x There is no allegation of fraud, nor is there the least indication that Aromin was acting for his own ultimate benefit. BPI later dismissed Aromin because it appeared that a top official of the bank was personally interested in the sale of the Pasig property, and did not like Aromin's testimony. Aromin was charged with poor performance but his dismissal was only sometime after he testified in court. More than two long years after the disputed transaction, he was still Assistant Vice-President of BPI.[29]

First, the above decision had been annulled and set aside. Second, the above-quoted portion of the nullified decision recites undisputed facts, i.e., that there is no allegation of fraud and no showing that Aromin was acting for his own benefit, and that he still occupied the same AVP position two years after the litigated transaction happened. These facts do not in any way rule out or rule in the absence of any lawful, just, or equitable basis for his dismissal. After all, G.R. No. 118509 was not about his dismissal.

Foregoing considered, it is abundantly clear to the Court, as it was to the CA and the NLRC earlier, that Aromin indeed committed acts which formed the basis for BPI's loss of trust and confidence in him. Undeniably, the acts committed, inclusive of those done before he took the witness stand to testify falsely against the interest of the employer, adversely reflected on his competence, loyalty, and integrity. Said acts were sufficient enough for his employer to lose trust and confidence in him. Thus, before us is a real case of betrayal of trust and confidence, duly substantiated, to justify the bona fide dismissal of an employee.

No Denial of Due Process

The remaining question then to be resolved, in the light of Aromin's lament about being denied due process, is whether or not procedural infirmity attended his dismissal.

Due process, under the Implementing Rules of the Labor Code, specifically Book VI, Rule I on Termination of Employment and Retirement, requires two written notices and a hearing or conference before a valid and legal termination of employees can be implemented.[30] The first notice is intended to apprise the concerned employees of the particular acts or omissions for which their dismissal is sought, and the second is to inform them of the decision to terminate them.[31]

As borne out by the records, BPI complied with the mandatory two-notice rule, the first effected through the May 6, 1991 show-cause memorandum which Aromin even answered, and the second via the June 14, 1991 notice of termination, both issued by Barcelon.

Aromin's contention that the show-cause memorandum did not specify the charges against him is specious, for the same memorandum, albeit tersely couched, clearly conveyed the message that his testimony in Civil Case No. 56316 was prejudicial to the best interests of BPI.

The termination of Aromin was effected on June 14, 1991. The prevailing jurisprudence at that time was that as long as the employee was given an opportunity to be heard, due process with respect to the first notice was deemed complied with, even if incidentally no actual hearing was conducted.[32] Thus, respondents BPI, Loinaz, and Barcelon did not breach the due process requirements.

No Entitlement to Financial Assistance

With the issue on the legality of Aromin's dismissal put to rest, the resolution of the question on his entitlement to financial assistance granted by the labor arbiter but denied by the NLRC and then by the CA should not be difficult.

Philippine Long Distance Telephone Company v. National Labor Relations Commission teaches that an employee validly dismissed for causes other than serious misconduct or that which reflects adversely on the employee's moral character may be given financial assistance or severance pay.[33] Of similar tenor is Toyota Motor Phils. Corp. Workers Association (TMPCWA) v. National Labor Relations Commission[34] where the Court, after a brief overview of relevant cases[35] dealing with the termination for any valid ground under Art. 282 of the Labor Code and where separation pay was not allowed, wrote:

In all of the foregoing situations, the Court declined to grant termination pay because the causes for dismissal recognized under Art. 282 of the Labor Code were serious or grave in nature and attended by willful or wrongful intent or they reflected adversely on the moral character of the employees. We therefore find that in addition to serious misconduct, in dismissals based on other grounds under Art. 282 like willful disobedience, gross and habitual neglect of duty, fraud or willful breach of trust, and commission of a crime against the employer or his family, separation pay should not be conceded to the dismissed employee. (Emphasis ours.)

Guided by the foregoing doctrinal pronouncements and with the reality that Aromin is guilty of willful betrayal of trust, a serious offense akin to dishonesty, he is not entitled to financial assistance or separation pay.

It may be that his 26 years of service might generally be considered for a severance pay award or some form of financial assistance to cushion the effects of his termination. But as aptly observed by both the NLRC and the CA, Aromin's length of service is of little moment for purposes of financial award since his willful breach of trust reflects a regrettable lack of loyalty to his employer. Indeed, if length of service is to be regarded as justification for moderating the penalty of dismissal, then we would be giving a premium to disloyalty, distorting in the process the meaning of social justice and undermining the efforts of labor to cleanse its ranks of undesirables.[36]

WHEREFORE, this petition is DENIED for lack of merit. The appealed Decision and Resolution dated April 15, 2004 and August 3, 2004, respectively, of the CA in CA-G.R. SP No. 77016 are hereby AFFIRMED IN TOTO.

No pronouncement as to costs.

SO ORDERED.

Quisumbing, (Chairperson), Carpio-Morales, and Tinga, JJ., concur.

Brion, J., In the result:

[1] Rollo, pp. 45-60. Penned by Associate Justice Buenaventura J. Guerrero (now retired) and concurred in by Associate Justices Andres B. Reyes, Jr. and Regalado E. Maambong.

[2] Id. at 75.

[3] G.R. No. 118509. Decision rendered on December 1, 1995 affirming the RTC Decision in Civil Case No. 56316, reported in 250 SCRA 523. The decision was vacated via a Resolution dated March 29, 1996 (255 SCRA 626), as later reiterated with finality on September 5, 1996 (261 SCRA 464).

[4] Rollo, pp. 390-392.

[5] Id. at 379-386.

[6] Id. at 389.

[7] Id. at 309.

[8] Id. at 387-388.

[9] Id. at 393-394.

[10] Id. at 395-396.

[11] Id. at 397-398.

[12] Id. at 95-96.

[13] Id. at 117-118.

[14] Supra note 3.

[15] Rollo, p. 134.

[16] Id. at 136-141.

[17] G.R. No. 144089, August 9, 2001, 362 SCRA 583.

[18] Rollo, p. 175.

[19] G.R. No. 118506, April 18, 1997, 271 SCRA 670.

[20] Id. at 682.

[21] Art. 282. Termination by Employer.--An employer may terminate an employment for any of the following causes: x x x c) Fraud or willful breach by the employee of the trust reposed in him by his employer or duly authorized representative. (Emphasis ours.)

[22] Wah Yuen Restaurant v. Jayona, G.R. No. 159448, December 16, 2005, 478 SCRA 315, 321; citations omitted.

[23] Manuel v. N.C. Construction Supply, G.R. No. 127553, November 28, 1997, 282 SCRA 326, 333.

[24] Wah Yuen Restaurant v. Jayona, supra; citations omitted.

[25] See Limketkai Sons Milling, Inc., supra note 3, December 1, 1995, 250 SCRA 523, 533.

[26] Id. at 534.

[27] Supra note 3.

[28] Rollo, p. 391.

[29] Limketkai Sons Milling, Inc., supra note 3, at 532.

[30] SEC. 2. Security of tenure.--x x x

For termination of employment based on just causes as defined in Article 282 of the Labor Code:

(i) A written notice served on the employee specifying the ground or grounds for termination, and giving said employee reasonable opportunity within which to explain his side.

(ii) A hearing or conference during which the employee concerned, with the assistance of counsel if he so desires is given opportunity to respond to the charge, present his evidence, or rebut the evidence presented against him.

(iii) A written notice of termination served on the employee, indicting that upon due consideration of all the circumstances, grounds have been established to justify his termination.

[31] Santos v. San Miguel Corporation, G.R. No. 149416, March 14, 2003, 399 SCRA 172, 185; citations

omitted.

[32] *Panuncillo v. CAP Philippines, Inc.*, G.R. No. 161305, February 9, 2007, 515 SCRA 323, 335-336; citing *Standard Electric Manufacturing Corporation v. Standard Electric Employees Union-NAFLU-KMU*, G.R. No. 166111, August 25, 2005, 468 SCRA 316, 329.

[33] No. L-80609, August 23, 1988, 164 SCRA 671, 682.

[34] G.R. Nos. 158786 & 158789, October 19, 2007, 537 SCRA 171, 223.

[35] *House of Sara Lee v. Rey*, G.R. No. 149013, August 31, 2006, 500 SCRA 419; *Ha Yuan Restaurant v. National Labor Relations Commission*, G.R. No. 147719, January 27, 2006, 480 SCRA 328; *Gustilo v. Wyeth Phils., Inc.*, G.R. No. 149629, October 4, 2004, 440 SCRA 67; *San Miguel v. Lao*, G.R. Nos. 143136-37, July 11, 2002, 384 SCRA 504.

[36] *Ectuban, Jr. v. Sulpicio Lines, Inc.*, G.R. No. 148410, January 17, 2005, 448 SCRA 516, 533-534; citing *Flores v. NLRC*, G.R. No. 96969, March 2, 1993, 219 SCRA 350, 355.

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