

G.J.T. REBUILDERS MACHINE SHOP, GODOFREDO TRILLANA, AND JULIANA TRILLANA, PETITIONERS, VS. RICARDO AMBOS, BENJAMIN PUTIAN, AND RUSSELL AMBOS, RESPONDENTS.

G.R. No. 174184. January 28, 2015

Ponente: LEONEN, J.

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LEONEN, J.:

To prove serious business losses, employers must present in evidence financial statements showing the net losses suffered by the business within a sufficient period of time. Generally, it cannot be based on a single financial statement showing losses. Absent this proof, employers closing their businesses must pay the dismissed employees separation pay equivalent to one-month pay or to at least one-half-month pay for every year of service, whichever is higher.

This is a Petition for Review on Certiorari[1] of the Court of Appeals' Decision,[2] granting Ricardo Ambos, Russell Ambos,[3] and Benjamin Putian's Petition for Certiorari. The Court of Appeals found that G.J.T. Rebuilders Machine Shop (G.J.T. Rebuilders) failed to prove its alleged serious business losses. Thus, when it closed its establishment on December 15, 1997, G.J.T. Rebuilders should have paid the affected employees separation pay.[4]

G.J.T. Rebuilders is a single proprietorship owned by the Spouses Godofredo and Juliana Trillana (Trillana spouses). It was engaged in steel works and metal fabrication, employing Ricardo Ambos (Ricardo), Russell Ambos (Russell), and Benjamin Putian (Benjamin) as machinists.[5]

G.J.T. Rebuilders rented space in the Far East Asia (FEA) Building in Shaw Boulevard, Mandaluyong City, which served as the site of its machine shop. On September 8, 1996, a fire partially destroyed the FEA Building.[6]

Due to the damage sustained by the building, its owner notified its tenants to vacate their rented units by the end of September 1996 "to avoid any unforeseen accidents which may arise due to the damage." [7]

Despite the building owner's notice to vacate, G.J.T. Rebuilders continued its business in the condemned building. When the building owner finally refused to accommodate it, G.J.T. Rebuilders left its rented space and closed the machine shop on December 15, 1997.[8] It then filed an Affidavit of Closure before the Department of Labor and Employment on February 16, 1998 and a sworn application to retire its business operations before the Mandaluyong City Treasurer's Office on February 25, 1998.[9]

Having lost their employment without receiving separation pay, Ricardo, Russell, and Benjamin filed a Complaint for illegal dismissal before the Labor Arbiter. They prayed for payment of allowance, separation pay, and attorney's fees.[10]

In their defense, G.J.T. Rebuilders and the Trillana spouses argued that G.J.T. Rebuilders suffered serious business losses and financial reverses, forcing it to close its machine shop. Therefore, Ricardo, Russell, and

Benjamin were not entitled to separation pay.[11]

Labor Arbiter Facundo L. Leda (Labor Arbiter Leda) decided the Complaint, finding no convincing proof of G.J.T. Rebuilders' alleged serious business losses. Labor Arbiter Leda, in the Decision[12] dated December 28, 1999, found that Ricardo, Russell, and Benjamin were entitled to separation pay under Article 283 of the Labor Code.[13] In addition, they were awarded attorney's fees, having been constrained to litigate their claims.[14]

Even assuming that G.J.T. Rebuilders' closure was due to serious business losses, Labor Arbiter Leda held that the employees affected were still entitled to separation pay "based on social justice and equity." [15]

G.J.T. Rebuilders and the Trillana spouses appealed Labor Arbiter Leda's Decision before the National Labor Relations Commission.[16]

In contrast with the Labor Arbiter's finding, the National Labor Relations Commission found G.J.T. Rebuilders to have suffered serious business losses. Because of the fire that destroyed the building where G.J.T. Rebuilders was renting space, the demand for its services allegedly declined as "no same customer would dare to entrust machine works to be done for them in a machine shop lying in a ruined and condemned building." [17] The National Labor Relations Commission then concluded that the fire "proximately caused" [18] G.J.T. Rebuilders' serious business losses, with its financial statement for the fiscal year 1997 showing a net loss of P316,210.00.[19]

In the Decision[20] dated January 25, 2001, the National Labor Relations Commission vacated and set aside Labor Arbiter Leda's Decision and dismissed the Complaint for lack of merit. Since the Commission found that G.J.T. Rebuilders ceased operations due to serious business losses, it held that G.J.T. Rebuilders and the Trillana spouses need not pay Ricardo, Russell, and Benjamin separation pay.

Ricardo, Russell, and Benjamin filed a Motion for Reconsideration, which the National Labor Relations Commission denied in the Resolution[21] dated March 5, 2001.

Because of the alleged grave abuse of discretion of the National Labor Relations Commission, a Petition for Certiorari was filed before the Court of Appeals.[22]

The Court of Appeals reversed the National Labor Relations Commission's Decision, agreeing with Labor Arbiter Leda that G.J.T. Rebuilders failed to prove its alleged serious business losses. The Court of Appeals conceded that G.J.T. Rebuilders had to close the machine shop for reasons connected with the fire that partially destroyed the building where it was renting space. Nevertheless, G.J.T. Rebuilders continued its business for more than one year after the fire. Thus, according to the Court of Appeals, G.J.T. Rebuilders did not suffer from serious business losses but closed the machine shop to prevent losses.[23]

With respect to G.J.T. Rebuilders' financial statement showing an alleged net loss in 1997, the Court of Appeals refused to admit it in evidence since it was not subscribed under oath by the Certified Public Accountant who prepared it. According to the Court of Appeals, the financial statement was subscribed under oath only after G.J.T. Rebuilders had submitted it to Labor Arbiter Leda as an annex to its Motion to re-open proceedings and to submit additional evidence. Thus, the Court of Appeals gave G.J.T. Rebuilders' financial statement "scant consideration." [24]

In the Decision[25] dated January 17, 2006, the Court of Appeals granted the Petition for Certiorari, vacating and setting aside the National Labor Relations Commission's Decision. It reinstated Labor Arbiter Leda's Decision dated December 28, 1999.

G.J.T. Rebuilders and the Trillana spouses filed a Motion for Reconsideration, which the Court of Appeals denied

in the Resolution[26] dated August 11, 2006.

Petitioners G.J.T. Rebuilders and the Trillana spouses filed before this court a Petition for Review on Certiorari.[27] Respondents Ricardo, Russell, and Benjamin commented[28] on the Petition, after which petitioners filed a Reply.[29]

In their Petition for Review on Certiorari, petitioners maintain that G.J.T. Rebuilders suffered serious business losses as evidenced by its financial statement covering the years 1996 and 1997. Petitioners admit that the financial statement was belatedly subscribed under oath.[30] Nevertheless, “the credibility or veracity of the entries”[31] in the financial statement was not affected since the Bureau of Internal Revenue received the same unsubscribed financial statement when G.J.T. Rebuilders allegedly filed its income tax return on April 15, 1998.[32]

Considering that petitioners sufficiently proved G.J.T. Rebuilders’ serious business losses, petitioners argue that respondents are not entitled to separation pay.

As for respondents, they contend that G.J.T. Rebuilders failed to prove its alleged serious business losses. They argue that the financial statement showing a net loss for the year 1997 was not credible, having been belatedly subscribed under oath by the Certified Public Accountant who prepared it.[33]

With no credible proof of G.J.T. Rebuilders’ supposed serious business losses, respondents argue that petitioners must pay them separation pay under Article 283 of the Labor Code.[34]

The issue for our resolution is whether petitioners sufficiently proved that G.J.T. Rebuilders suffered from serious business losses.

This petition should be denied.

I

G.J.T. Rebuilders must pay respondents
their separation pay for failure to prove
its alleged serious business losses

Article 283 of the Labor Code allows an employer to dismiss an employee due to the cessation of operation or closure of its establishment or undertaking, thus:

Art. 283. Closure of establishment and reduction of personnel. – The employer may also terminate the employment of any employee due to the installation of labor saving devices, redundancy, retrenchment to prevent losses or the closing or cessation of operation of the establishment or undertaking unless the closing is for the purpose of circumventing the provisions of this Title, by serving a written notice on the workers and the Department of Labor and Employment at least one (1) month before the intended date thereof. In case of termination due to installation of labor saving devices or redundancy, the worker affected thereby shall be entitled to a separation pay equivalent to at least his one (1) month pay or to at least one (1) month pay for every year of service, whichever is higher. In case of retrenchment to prevent losses and in cases of closures or cessation of operations of establishment or undertaking not due to serious business losses or financial reverses, the separation pay shall be equivalent to one (1) month pay or to at least one-half (1/2) month pay for every year of service, whichever is higher. A fraction of at least six (6) months shall be considered one (1) whole year.

The decision to close one’s business is a management prerogative that courts cannot interfere with.[35] Employers can “lawfully close shop at anytime,”[36] even for reasons of their own. “Just as no law forces anyone to go into business, no law can compel anybody to continue in it.”[37] In *Mac Adams Metal Engineering Workers*

Union-Independent v. Mac Adams Metal Engineering,[38] this court said:

It would indeed be stretching the intent and spirit of the law if [courts] were to unjustly interfere with the management's prerogative to close or cease its business operations just because [the] business operation or undertaking is not suffering from any loss or simply to provide the workers continued employment.[39]

However, despite this management prerogative, employers closing their businesses must pay the affected workers separation pay equivalent to one-month pay or to at least one-half-month pay for every year of service, whichever is higher.[40] The reason is that an employee dismissed, even for an authorized cause, loses his or her means of livelihood.[41]

The only time employers are not compelled to pay separation pay is when they closed their establishments or undertaking due to serious business losses or financial reverses.[42]

Serious business losses are substantial losses, not de minimis.[43] "Losses" means that the business must have operated at a loss for a period of time for the employer "to [have] perceived objectively and in good faith"[44] that the business' financial standing is unlikely to improve in the future.

The burden of proving serious business losses is with the employer.[45] The employer must show losses on the basis of financial statements covering a sufficient period of time. The period covered must be sufficient for the National Labor Relations Commission and this court to appreciate the nature and vagaries of the business.

In North Davao Mining Corporation v. NLRC,[46] North Davao Mining Corporation presented in evidence financial statements showing a continuing pattern of loss from 1988 until its closure in 1992. The company suffered net losses averaging P3 billion a year, with an aggregate loss of P20 billion by the time of its closure.[47] This court found that North Davao suffered serious business losses.[48]

In Manatad v. Philippine Telegraph and Telephone Corporation,[49] the Philippine Telegraph and Telephone Corporation presented in evidence financial statements showing a continuing pattern of loss from 1995 to 1999.[50] By 2000, the corporation suffered an aggregate loss of P2.169 billion, constraining it to retrench some of its employees. This court held that the Philippine Telegraph and Telephone Corporation was "fully justified in implementing a retrenchment program since it was undergoing business reverses, not only for a single fiscal year, but for several years prior to and even after the program." [51]

In LVN Pictures Employees and Workers Association (NLU) v. LVN Pictures, Inc.,[52] a case G.J.T. Rebuilders cited, LVN Pictures, Inc. presented in evidence financial statements showing a continuing pattern of loss from 1957 to 1961. By the time the corporation closed its business, it had suffered an aggregate loss of P1,560,985.14.[53] This court found that LVN Pictures, Inc. suffered serious business losses.[54]

Aside from the obligation to pay separation pay, employers must comply with the notice requirement under Article 283 of the Labor Code. Employers must serve a written notice on the affected employees and on the Department of Labor and Employment at least one month before the intended date of closure. Failure to comply with this requirement renders the employer liable for nominal damages.[55]

We uphold G.J.T. Rebuilders' decision to close its establishment as a valid exercise of its management prerogative. G.J.T. Rebuilders closed its machine shop, believing that its "former customers . . . seriously doubted [its] capacity . . . to perform the same quality [of service]"[56] after the fire had partially damaged the building where it was renting space.

Nevertheless, we find that G.J.T. Rebuilders failed to sufficiently prove its alleged serious business losses.

The financial statement G.J.T. Rebuilders submitted in evidence covers the fiscal years 1996 and 1997. Based on

the financial statement, G.J.T. Rebuilders earned a net income of P61,157.00 in 1996 and incurred a net loss of P316,210.00 in 1997.[57]

We find the two-year period covered by the financial statement insufficient for G.J.T. Rebuilders to have objectively perceived that the business would not recover from the loss. Unlike in North Davao Mining Corporation, Manatad, and LVN Pictures Employees and Workers Association (NLU), no continuing pattern of loss within a sufficient period of time is present in this case. In fact, in one of the two fiscal years covered by the financial statement presented in evidence, G.J.T. Rebuilders earned a net income. We, therefore, agree with the Labor Arbiter and the Court of Appeals that G.J.T. Rebuilders closed its machine shop to prevent losses, not because of serious business losses.[58]

Considering that G.J.T. Rebuilders failed to prove its alleged serious business losses, it must pay respondents their separation pay equivalent to one-month pay or at least one-half-month pay for every year of service, whichever is higher. In computing the period of service, a fraction of at least six months is considered a year.[59]

Ricardo began working as a machinist on February 9, 1978.[60] Since he last worked for G.J.T. Rebuilders on December 15, 1997, he worked a total of 19 years, 10 months, and six days. This period is rounded off to 20 years, with the last 10 months and six days being considered a year.[61]

Ricardo had a daily salary of P230.00 and worked 13 days a month.[62] His one-month pay, therefore, is equal to P2,990.00. On the other hand, his one-half-month pay for every year of service is equal to P29,250.00. The latter amount being higher, Ricardo must receive P29,250.00 as separation pay.

With respect to Russell, he began his employment on September 1, 1992.[63] Since he last worked for G.J.T. Rebuilders on December 15, 1997, he worked a total of five years, three months, and 14 days. This period is rounded off to five years, not six years, since the last three months and 14 days are less than the six months required to be considered a year.[64]

Russell had a daily salary of P225.00 and worked 13 days a month.[65] His one-month pay, therefore, is equal to P2,925.00. On the other hand, his one-half-month pay for every year of service is equal to P7,312.50. The latter amount being higher, Russell must receive P7,312.50 as separation pay.

As for Benjamin, he began working as a machinist on February 1, 1994.[66] Since he last worked for G.J.T. Rebuilders on December 15, 1997, he worked a total of three years, 10 months, and 14 days. This period is rounded off to four years, with the last 10 months and 14 days being considered a year.[67]

Benjamin had a daily salary of P225.00 and worked 13 days a month.[68] His one-month pay, therefore, is equal to P2,925.00. On the other hand, his one-half-month pay for every year of service is equal to P5,850.00. The latter amount being higher, Benjamin must receive P5,850.00 as separation pay.

II

G.J.T. Rebuilders must pay respondents nominal damages for failure to comply with the procedural requirements for closing its business

In addition to separation pay, G.J.T. Rebuilders must pay each of the respondents nominal damages for failure to comply with the notice requirement under Article 283 of the Labor Code.

Notice of the eventual closure of establishment is a “personal right of the employee to be personally informed of his [or her] proposed dismissal as well as the reasons therefor.”[69] The reason for this requirement is to “give the

employee some time to prepare for the eventual loss of his [or her] job.”[70]

The requirement “is not a mere technicality or formality which the employer may dispense with.”[71] Should employers fail to properly notify their employees, they shall be liable for nominal damages even if they validly closed their businesses.[72]

Generally, employers that validly closed their businesses but failed to comply with the notice requirement are liable in the amount of P50,000.00.[73] This amount of nominal damages, however, may be reduced depending on “the sound discretion of the court.”[74] In *Sangwoo Philippines, Inc. v. Sangwoo Philippines, Inc. Employees Union-OLALIA*,[75] we said that:

[i]n the determination of the amount of nominal damages which is addressed to the sound discretion of the court, several factors are taken into account: (1) the authorized cause invoked . . . ; (2) the number of employees to be awarded; (3) the capacity of the employers to satisfy the awards, taking into account their prevailing financial status as borne by the records; (4) the employer’s grant of other termination benefits in favor of the employees; and (5) whether there was bona fide attempt to comply with the notice requirements as opposed to giving no notice at all.[76]

G.J.T. Rebuilders allegedly “conferred with all [of its employees] of [its] intention to cease business operations”[77] one month before closing its business. It allegedly submitted an Affidavit of Closure to the Department of Labor and Employment on February 16, 1998.[78]

“Conferring with employees” is not the notice required under Article 283 of the Labor Code. The law requires a written notice of closure served on the affected employees. As to when the written notice should be served on the Department of Labor and Employment, the law requires that it be served at least one month before the intended date of closure. G.J.T. Rebuilders served the written notice on the Department of Labor and Employment on February 16, 1998, two months after it had closed its business on December 15, 1997.

With G.J.T. Rebuilders failing to comply with the notice requirement under Article 283 of the Labor Code, we find that it deprived respondents of due process. However, considering that G.J.T. Rebuilders attempted to comply with the notice requirement, we find the nominal damages of ₱10,000.00 for each of the respondents sufficient.[79]

III

Respondents are not entitled to attorney’s fees

Attorney’s fees “represent the reasonable compensation [a client pays his or her lawyer] [for legal service rendered].”[80] The award of attorney’s fees is the exception rather than the rule.[81] Specifically in labor cases, attorney’s fees are awarded only when there is unlawful withholding of wages[82] or when the attorney’s fees arise from collective bargaining negotiations that may be charged against union funds in an amount to be agreed upon by the parties.[83] For courts and tribunals to properly award attorney’s fees, they must make “an express finding of fact and [citation] of applicable law”[84] in their decisions.

In the present case, there is no unlawful withholding of wages or an award of attorney’s fees arising from collective bargaining negotiations. Neither did the Labor Arbiter nor the Court of Appeals make findings of fact or cite the applicable law in awarding attorney’s fees. That respondents were “constrained to engage the services of counsel to prosecute their claims”[85] is not enough justification since “no premium should be placed on the right to litigate.”[86]

For these reasons, we delete the award of attorney’s fees.

All told, G.J.T. Rebuilders failed to prove that it closed its machine shop due to serious business losses. Moreover, it failed to comply with Article 283 of the Labor Code on the notice requirement. Therefore, petitioners must pay respondents Ricardo Ambos, Russell Ambos, and Benjamin Putian separation pay and nominal damages.

WHEREFORE, the Petition for Review on Certiorari is DENIED. The Court of Appeals' Decision dated January 17, 2006 is AFFIRMED with MODIFICATION.

Petitioners are ordered to PAY respondents their separation pay with 6% legal interest[87] from the finality of this Decision until full payment:

Ricardo Ambos

P29,250.00

Russell Ambos

P7,312.50

Benjamin Putian

P5,850.00.

Furthermore, petitioners shall PAY each of the respondents ₱10,000.00 as nominal damages with 6% legal interest[88] from the finality of this Decision until full payment.

The award of attorney's fees is DELETED.

SO ORDERED.

Carpio, (Chairperson), Velasco, Jr.,[*] Del Castillo, Mendoza, and Leonen, JJ., concur.

[*] Designated acting member per S. O. No. 1910 dated January 12, 2015.

[1] Rollo, pp. 3–15.

[2] Id. at 18–24. The Decision dated January 17, 2006 was penned by Associate Justice Roberto A. Barrios and concurred in by Associate Justices Mario L. Guariña and Santiago Javier Ranada of the Fifth Division.

[3] Russell Ambos was also referred to as “Ruzell Ambos.” See rollo, pp. 18, 36, and 44.

[4] Rollo, pp. 21–22.

[5] Id. at 19.

[6] Id. at 29.

[7] Id.

[8] Id. at 8 and 19.

[9] Id. at 5–6 and 20.

[10] Id. at 19.

[11] Id. at 19–20.

[12] Id. at 36–43.

[13] Id. at 39–40. This Article was renumbered to Article 297 by Rep. Act No. 10151, otherwise known as An Act Allowing the Employment of Night Workers, Thereby Repealing Articles 130 and 131 of Presidential Decree Number Four Hundred Forty-Two, as amended, Otherwise Known as the Labor Code of the Philippines; Sangwoo Philippines, Inc. v. Sangwoo Philippines, Inc. Employees Union-Olalia, G.R. No. 173154, December 9, 2013, 711 SCRA 618, 624 [Per J. Perlas-Bernabe, Second Division].

[14] Id. at 41–42.

[15] Id. at 40, citing Banco Filipino Savings and Mortgage Bank v. National Labor Relations Commission, 266 Phil. 770, 780 (1990) [Per J. Medialdea, First Division] and International Hardware, Inc. v. National Labor Relations Commission (Third Division), 257 Phil. 261 (1989) [Per J. Gancayco, First Division].

[16] Id. at 44.

[17] Id. at 50.

[18] Id.

[19] Id. at 72.

[20] Id. at 41–53.

[21] Id. at 54–55.

[22] Id. at 18 and 21.

[23] Id. at 21–22.

[24] Id. at 22.

[25] Id. at 18–24.

[26] Id. at 26–28.

[27] Id. at 3–16.

[28] Id. at 60–66.

[29] Id. at 70–76.

[30] Id. at 9.

[31] Id.

[32] Id. at 9–10.

[33] Id. at 63–64.

[34] Id. at 63.

[35] Eastridge Golf Club, Inc. v. Eastridge Golf Club, Inc., Labor Union-Super, et al., 585 Phil. 88, 101 (2008) [Per J. Austria-Martinez, Third Division].

[36] Mac Adams Metal Engineering Workers Union-Independent v. Mac Adams Metal Engineering, 460 Phil. 583, 590 (2003) [Per J. Corona, Third Division].

[37] Id.

[38] 460 Phil. 583 (2003) [Per J. Corona, Third Division].

[39] Id. at 590.

[40] LABOR CODE, art. 283, now renumbered to art. 297 by Rep. Act No. 10151.

[41] *Indino v. NLRC* (Second Division), 258 Phil. 792, 800 (1989) [Per J. Sarmiento, Second Division].

[42] *Lopez Sugar Corporation v. Federation of Free Workers*, G.R. Nos. 75700–01, August 30, 1990, 189 SCRA 179, 186 [Per J. Feliciano, Third Division].

[43] *Philippine Tobacco Flue-Curing & Redrying Corp. v. NLRC*, 360 Phil. 218, 236 (1998) [Per J. Panganiban, First Division], citing *Somerville Stainless Steel Corporation v. NLRC*, 350 Phil. 859, 869 (1998) [Per J. Panganiban, First Division].

[44] Id. at 236–237, citing *Somerville Stainless Steel Corporation v. NLRC*, 350 Phil. 859, 870 (1998) [Per J. Panganiban, First Division].

[45] *Reahs Corporation v. NLRC*, 337 Phil. 698, 705 (1997) [Per J. Padilla, First Division].

[46] 325 Phil. 202 (1996) [Per J. Panganiban, En Banc].

[47] Id. at 205.

[48] Id. at 212.

[49] 571 Phil. 494 (2008) [Per J. Chico-Nazario, Third Division].

[50] Id. at 501.

[51] Id. at 509.

[52] 146 Phil. 153 (1970) [Per J. Ruiz Castro, En Banc].

[53] Id. at 157.

[54] Id. at 157 and 166.

[55] *Sangwoo Philippines, Inc. v. Sangwoo Philippines, Inc. Employees Union-Olalia*, G.R. No. 173154, December 9, 2013, 711 SCRA 618, 627–629 [Per J. Perlas-Bernabe, Second Division].

[56] Rollo, p. 13.

[57] Id. at 35.

[58] Id. at 21–22 and 40.

[59] LABOR CODE, art. 283, now renumbered to art. 297 by Rep. Act No. 10151.

[60] Rollo, p. 42.

[61] Id.

[62] Id.

[63] Id.

[64] Id.

[65] Id.

[66] Id.

[67] Id.

[68] Id.

[69] Sangwoo Philippines, Inc. v. Sangwoo Philippines, Inc. Employees Union-Olalia, G.R. No. 173154, December 9, 2013, 711 SCRA 618, 627 [Per J. Perlas-Bernabe, Second Division].

[70] Id.

[71] Id.

[72] Id. at 628.

[73] Id. at 629, citing Abbott Laboratories, Philippines v. Alcaraz, G.R. No. 192571, July 23, 2013, 701 SCRA 682, 715 [Per J. Perlas-Bernabe, En Banc].

[74] Id.

[75] G.R. No. 173154, December 9, 2013, 711 SCRA 618 [Per J. Perlas-Bernabe, Second Division].

[76] Id. at 629, citing Industrial Timber Corporation v. Ababon, 520 Phil. 522, 527–528 [Per J. Ynares-Santiago, First Division].

[77] Rollo, p. 5.

[78] Id. at 5 and 30.

[79] Sangwoo Philippines, Inc. v. Sangwoo Philippines, Inc. Employees Union-Olalia, G.R. No. 173154, December 9, 2013, 711 SCRA 618, 630 [Per J. Perlas-Bernabe, Second Division].

[80] Lui Enterprises, Inc. v. Zuellig Pharma Corporation, G.R. No. 193494, March 12, 2014, 26 [Per J. Leonen, Third Division].

[81] Id.

[82] LABOR CODE, art. 111(1) provides:

Art. 111. Attorney's fees. – (1) In cases of unlawful withholding of wages, the culpable party may be assessed attorney's fees equivalent to ten percent (10%) of the amount of wages recovered; Reahs Corporation v. NLRC, 337 Phil. 698, 709 (1997) [Per J. Padilla, First Division].

[83] LABOR CODE, art. 222(2) provides:

Art. 222. Appearances and Fees. -

(2) No attorney's fees, negotiation fees or similar charges of any kind arising from any collective bargaining agreement shall be imposed on any individual member of the contracting union: Provided, however, That attorney's fees may be charged against union funds in an amount to be agreed upon by the parties. Any contract, agreement or arrangement of any sort to the contrary shall be null and void; Reahs Corporation v. NLRC, 337 Phil. 698, 709 (1997) [Per J. Padilla, First Division].

[84] Reahs Corporation v. NLRC, 337 Phil. 698, 709 (1997) [Per J. Padilla, First Division].

[85] Rollo, p. 42.

[86] *Lui Enterprises, Inc. v. Zuellig Pharma Corporation*, G.R. No. 193494, March 12, 2014, 27 [Per J. Leonen, Third Division].

[87] *Nacar v. Gallery Frames*, G.R. No. 189871, August 13, 2013, 703 SCRA 439, 458 [Per J. Peralta, En Banc].

[88] *Id.*

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