

SPI TECHNOLOGIES, INC. AND LEA VILLANUEVA, PETITIONERS, VS. VICTORIA K. MAPUA, RESPONDENT.

G.R. No. 191154. April 07, 2014

Ponente: REYES, J.

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REYES, J.:

The Court remains steadfast on its stand that the determination of the continuing necessity of a particular officer or position in a business corporation is a management prerogative, and the courts will not interfere unless arbitrary or malicious action on the part of management is shown. Indeed, an employer has no legal obligation to keep more employees than are necessary for the operation of its business.[1] In the instant case however, we find our intrusion indispensable, to look into matters which we would otherwise consider as an exercise of management prerogative. “Management prerogative” are not magic words uttered by an employer to bring him to a realm where our labor laws cannot reach.

This is a petition for review on certiorari[2] under Rule 45 of the Rules of Court of the Decision[3] dated October 28, 2009 and Resolution[4] dated January 18, 2010 of the Court of Appeals (CA) in CA-G.R. SP. No. 107879.

The Facts

Victoria K. Mapua (Mapua) alleged that she was hired in 2003 by SPI Technologies, Inc. (SPI) and was the Corporate Development’s Research/Business Intelligence Unit Head and Manager of the company. Subsequently in August 2006, the then Vice President and Corporate Development Head, Peter Maquera (Maquera) hired Elizabeth Nolan (Nolan) as Mapua’s supervisor.[5]

Sometime in October 2006, the hard disk on Mapua’s laptop crashed, causing her to lose files and data. Mapua informed Nolan and her colleagues that she was working on recovering the lost data and asked for their patience for any possible delay on her part in meeting deadlines.[6]

On November 13, 2006, Mapua retrieved the lost data with the assistance of National Bureau of Investigation Anti-Fraud and Computer Crimes Division. Yet, Nolan informed Mapua that she was realigning Mapua’s position to become a subordinate of co-manager Sameer Raina (Raina) due to her missing a work deadline. Nolan also disclosed that Mapua’s colleagues were “demotivated” [sic] because she was “taking things easy while they were working very hard,” and that she was “frequently absent, under timing, and coming in late every time [Maquera] goes on leave or on vacation.”[7]

On November 16, 2006, Mapua obtained a summary of her attendance for the last six months to prove that she did not have frequent absences or under time when Maquera would be on leave or vacation. When shown to Nolan, she was merely told not to give the matter any more importance and to just move on.[8]

In December 2006, Mapua noticed that her colleagues began to ostracize and avoid her. Nolan and Raina started giving out majority of her research work and other duties under Healthcare and Legal Division to the rank-and-file staff. Mapua lost about 95% of her work projects and job responsibilities.[9]

Mapua consulted these work problems with SPI's Human Resource Director, Lea Villanueva (Villanueva), and asked if she can be transferred to another department within SPI. Subsequently, Villanueva informed Mapua that there is an intra-office opening and that she would schedule an exploratory interview for her. However, due to postponements not made by Mapua, the interview did not materialize.

On February 28, 2007, Mapua allegedly saw the new table of organization of the Corporate Development Division which would be renamed as the Marketing Division. The new structure showed that Mapua's level will be again downgraded because a new manager will be hired and positioned between her rank and Raina's.[10]

On March 21, 2007, Raina informed Mapua over the phone that her position was considered redundant and that she is terminated from employment effective immediately. Villanueva notified Mapua that she should cease reporting for work the next day. Her laptop computer and company mobile phone were taken right away and her office phone ceased to function.[11]

Mapua was shocked and told Raina and Villanueva that she would sue them. Mapua subsequently called her lawyer to narrate the contents of the termination letter,[12] which reads:

March 21, 2007

x x x x

Dear Ms. MAPUA,

x x x x

This notice of separation, effective March 21, 2007 should be regarded as redundancy. Your separation pay will be computed as one month's salary for every year of service, a fraction of at least six months will be considered as one year.

Your separation pay will be released on April 20, 2007 subject to your clearance of accountabilities and as per Company policy.

x x x x[13]

Mapua's lawyer, in a phone call, advised Villanueva that SPI violated Mapua's right to a 30-day notice.

On March 27, 2007, Mapua filed with the Labor Arbiter (LA) a complaint for illegal dismissal, claiming reinstatement or if deemed impossible, for separation pay. Afterwards, she went to a meeting with SPI, where she was given a second termination letter,[14] the contents of which were similar to the first one.[15]

On April 25, 2007, Mapua received through mail, a third Notice of Termination[16] dated March 21, 2007 but the date of effectivity of the termination was changed from March 21 to April 21, 2007. It further stated that her separation pay will be released on May 20, 2007 and a notation was inscribed, "refused to sign and acknowledge" with unintelligible signatures of witnesses.

On May 13, 2007, a recruitment advertisement[17] of SPI was published in the Philippine Daily Inquirer (Inquirer advertisement, for brevity). It listed all vacancies in SPI, including a position for Marketing Communications Manager under Corporate Support – the same group where Mapua previously belonged.

SPI also sent a demand letter[18] dated May 15, 2007 to Mapua, asking her to pay for the remaining net book value of the company car assigned to her under SPI's car plan policy. Under the said plan, Mapua should pay the remaining net book value of her car if she resigns within five years from start of her employment date.

In her Reply[19] and Rejoinder,[20] Mapua submitted an affidavit[21] and alleged that on July 16, 2007, Prime

Manpower Resources Development (Prime Manpower) posted an advertisement on the website of Jobstreet Philippines for the employment of a Corporate Development Manager in an unnamed Business Process Outsourcing (BPO) company located in Parañaque City. Mapua suspected that this advertisement was for SPI because the writing style used was similar to Raina's. She also claimed that SPI is the only BPO office in Parañaque City at that time. Thereafter, she applied for the position under the pseudonym of "Jeanne Tesoro". On the day of her interview with Prime Manpower's consultant, Ms. Portia Dimatulac (Dimatulac), the latter allegedly revealed to Mapua that SPI contracted Prime Manpower's services to search for applicants for the Corporate Development Manager position.

Because of these developments, Mapua was convinced that her former position is not redundant. According to her, she underwent psychiatric counseling and incurred medical expenses as a result of emotional anguish, sleepless nights, humiliation and shame from being jobless. She also averred that the manner of her dismissal was unprofessional and incongruous with her rank and stature as a manager as other employees have witnessed how she was forced to vacate the premises on the same day of her termination.

On the other hand, SPI stated that the company regularly makes an evaluation and assessment of its corporate/organizational structure due to the unexpected growth of its business along with its partnership with ePLDT and the acquisition of CyMed.[22] As a result, SPI underwent a reorganization of its structure with the objective of streamlining its operations. This was embodied in an Inter-Office Memorandum[23] dated August 28, 2006 issued by the company's Chief Executive Officer.[24] It was then discovered after assessment and evaluation that the duties of a Corporate Development Manager could be performed/were actually being performed by other officers/managers/departments of the company. As proof that the duties of Mapua are being/could be performed by other SPI officers and employees, Villanueva executed an affidavit[25] attesting that Mapua's functions are being performed by other SPI managers and employees.

On March 21, 2007, the company, through Villanueva, served a written notice to Mapua, informing her of her termination effective April 21, 2007. Mapua refused to receive the notice, thus, Villanueva made a notation "refused to sign and acknowledge" on the letter. On that same day, SPI filed an Establishment Termination Report with the Office of the Regional Director of the Department of Labor and Employment-National Capital Region (DOLE-NCR) informing the latter of Mapua's termination. Mapua was offered her separation and final pay, which she refused to receive. Before the effective date of her termination, she no longer reported for work. SPI has not hired a Corporate Development Manager since then.

SPI denied contracting the services of Prime Manpower for the hiring of a Corporate Development Manager and emphasized that Prime Manpower did not even state the name of its client in the Jobstreet website. SPI also countered that Dimatulac's alleged revelation to Mapua that its client is SPI must be struck down as mere hearsay because only Mapua executed an affidavit to prove that such disclosure was made. While SPI admitted the Inquirer advertisement, the company stated that Mapua was a Corporate Development Manager and not a Marketing Communications Manager, and that from the designations of these positions, it is obvious that the functions of one are entirely different from that of the other.[26]

LA Decision

On June 30, 2008, the LA rendered a Decision,[27] with the following dispositive portion:

WHEREFORE, prescinding from the foregoing, the redundancy of [Mapua's] position being in want of factual basis, her termination is therefore hereby declared illegal. Accordingly, she should be paid her backwages, separation pay in lieu of reinstatement, moral and exemplary damages and attorney's fees as follows:

a)

Backwages:

03/21/07-06/30/08

$P67,996 \times 15.30 \text{ mos.} =$

P 1,040,338.80

13th Month Pay:

$P1,040,338.80/12=$

P520,169.40

P1,560,508.20

b)

Separation Pay: (1 mo. per year of service)

12/01/03-06/30/08 = 5.7 or 6 yrs.

$P67,996.00 \times 6 =$

407,976.00

c)

Moral Damages:

P500,000.00

d)

Exemplary Damages:

250,000.00

e)

Attorney's Fees:

196,848.42

Total Award

P2,915,332.62

or a grand total of TWO MILLION NINE HUNDRED FIFTEEN THOUSAND THREE HUNDRED THIRTY-TWO and 62/100 (P2,915,332.62) Pesos only.

Respondents are further ordered to award herein complainant the car assigned to her.

SO ORDERED.[28]

Unrelenting, SPI appealed the LA decision to the National Labor Relations Commission (NLRC).

NLRC Ruling

On October 24, 2008, the NLRC rendered its Decision,[29] with the fallo, as follows:

WHEREFORE, the foregoing premises considered, the instant appeal is hereby GRANTED. The Decision

appealed from is REVERSED and SET ASIDE, and a new one is issued finding the appellants not guilty of illegal dismissal.

However, appellants are ordered to pay the sum of Three Hundred Thirty[-]Four Thousand Five Hundred Thirty[-]Eight Pesos and Thirty[-]Four Centavos ([P]334,538.34) representing her separation benefits and final pay in the amount of [P]203,988.00 and [P]130,550.34, respectively.

SO ORDERED.[30]

In ruling so, the NLRC held that “[t]he determination of whether [Mapua’s] position as Corporate Development Manager is redundant is not for her to decide. It essentially and necessarily lies within the sound business management.”[31] As early as August 28, 2006, Ernest Cu, SPI’s Chief Executive Officer, announced the corporate changes in the company. A month earlier, the officers held their Senior Management Strategic Planning Session with the theme, “Transformation” or re-invention of SPI purposely to create an organizational structure that is streamlined, clear and efficient.[32] In fact, Nolan and Raina, Mapua’s superiors were actually doing her functions with the assistance of the pool of analysts, as attested to by Villanueva.

At odds with the NLRC decision, Mapua elevated the case to the CA by way of petition for certiorari, arguing that based on evidence, the LA decision should be reinstated.

CA Ruling

Mapua’s petition was initially dismissed by the CA in its Resolution[33] dated March 25, 2009 for lack of counsel’s MCLE Compliance number, outdated IBP and PTR numbers of counsel, and lack of affidavit of service attached to the petition.

Mapua filed a motion for reconsideration which was granted by the CA, reinstating the petition in its Resolution[34] dated May 26, 2009.

On October 28, 2009, the CA promulgated its Decision,[35] reinstating the LA’s decree, viz:

WHEREFORE, in view of the foregoing, the assailed decision dated October 24, 2008, as well as the resolution dated December 23, 2008 of the National Labor Relations Commission in NLRC LAC No. 09-003262-08 (8) NLRC NCR CN. 00-03-02761-07 are hereby REVERSED and SET ASIDE. The decision of the Labor Arbiter dated June 30, 2008 in NLRC-NCR Case No. 00-03-02761-07 is hereby REINSTATED with MODIFICATION in that the amount of 13th month pay of [P]520,169.40 is hereby reduced to [P]86,694.90.

SO ORDERED.[36]

SPI’s motion for reconsideration was denied on January 18, 2010. Thus, through a petition for review on certiorari, SPI submitted the following grounds for the consideration of this Court:

I

THE CA DECLARED AS ILLEGAL [MAPUA’S] SEPARATION FROM SERVICE SOLELY ON THE BASIS OF HER SELF-SERVING AND UNFOUNDED ALLEGATION OF A SUPPOSED JOB ADVERTISEMENT

II

THE CA COMPLETELY DISREGARDED THE FACT THAT [MAPUA] WAS VALIDLY SEPARATED FROM SERVICE ON THE GROUND OF REDUNDANCY WHICH IS AN AUTHORIZED CAUSE FOR TERMINATION OF EMPLOYMENT UNDER ARTICLE 283 OF THE LABOR CODE AND PREVAILING JURISPRUDENCE

III

THE CA FOUND THAT [MAPUA] WAS NOT ACCORDED HER RIGHT TO DUE PROCESS IN UTTER

DEROGATION OF THE APPLICABLE PROVISIONS OF THE LABOR CODE AND THE PERTINENT JURISPRUDENCE

IV

THE CA COMPLETELY AFFIRMED THE AWARDS OF SEPARATION PAY, BACKWAGES, DAMAGES AND ATTORNEY'S FEES IN THE [LA'S] DECISION IN TOTAL DISREGARD OF THE APPLICABLE LAW AND JURISPRUDENCE

V

THE CA UPHELD THE [LA'S] DECISION HOLDING INDIVIDUAL PETITIONER SOLIDARILY AND PERSONALLY LIABLE TO [MAPUA] WITHOUT SHOWING ANY BASIS THEREFOR[37]

Our Ruling

The Court sustains the CA's ruling.

Mapua was dismissed from employment supposedly due to redundancy. However, she contended that her position as Corporate Development Manager is not redundant. She cited that SPI was in fact actively looking for her replacement after she was terminated. Furthermore, SPI violated her right to procedural due process when her termination was made effective on the same day she was notified of it.

Article 283 of the Labor Code provides for the following:

ART. 283. Closure of establishment and reduction of personnel. – The employer may also terminate the employment of any employee due to 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 worker 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 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 and financial reverses, the separation pay shall be equivalent to one (1) month pay or at least one-half (½) month pay for every year of service, whichever is higher. A fraction of at least six (6) months shall be considered as one (1) whole year. (Emphasis ours)

Expounding on the above requirements of written notice and separation pay, this Court in *Asian Alcohol Corporation v. NLRC*[38] pronounced that for a valid implementation of a redundancy program, the employer must comply with the following requisites: (1) written notice served on both the employee and the DOLE at least one month prior to the intended date of termination; (2) payment of separation pay equivalent to at least one month pay or at least one month pay for every year of service, whichever is higher; (3) good faith in abolishing the redundant position; and (4) fair and reasonable criteria in ascertaining what positions are to be declared redundant.[39]

Anent the first requirement which is written notice served on both the employee and the DOLE at least one month prior to the intended date of termination, SPI had discharged the burden of proving that it submitted a notice to the DOLE on March 21, 2007, stating therein that the effective date of termination is on April 21, 2007. It is, however, quite peculiar that two kinds of notices were served to Mapua. One termination letter stated that its date of effectivity is on the same day, March 21, 2007. The other termination letter sent through mail to Mapua's residence stated that the effective date of her termination is on April 21, 2007.

Explaining the discrepancy, SPI alleged that the company served a notice to Mapua on March 21, 2007, which stated that the effective date of termination is on April 21, 2007. However she refused to acknowledge or accept

the letter. Later on, Mapua requested for a copy of the said letter but due to inadvertence and oversight, a draft of the termination letter bearing a wrong effectivity date was given to her. To correct the oversight, a copy of the original letter was sent to her through mail.[40]

Our question is, after Mapua initially refused to accept the letter, why did SPI make a new letter instead of just giving her the first one – which the Court notes was already signed and witnessed by other employees? Curiously, there was neither allegation nor proof that the original letter was misplaced or lost which would necessitate the drafting of a new one. SPI did not even explain in the second letter that the same was being sent in lieu of the one given to her. Hence, SPI must shoulder the consequence of causing the confusion brought by the variations of termination letters given to Mapua.

Also, crucial to the determination of the effective date of termination was that Mapua was very specific as regards what happened immediately after: “Ms. Villanueva had Ms. Mapua’s assigned laptop computer and cellphone immediately taken by Human Resources supervisor, Ms. Dhang Rondael. Within about an hour, Ms. Mapua’s landline phone ceased to function after Ms. Villanueva’s and Mr. Raina’s announcement.” Her company I.D. was taken away from her that very same day.[41] To counter these statements, SPI merely stated that before the effective date of Mapua’s termination on April 21, 2007, she no longer reported for work. To this Court, this is insufficient rebuttal to the precise narrative of Mapua.

On the matter of separation pay, there is no question that SPI indeed offered separation pay to Mapua, but the offer must be accompanied with good faith in the abolishment of the redundant position and fair and reasonable criteria in ascertaining the redundant position. It is insignificant that the amount offered to Mapua is higher than what the law requires because the Court has previously noted that “a job is more than the salary that it carries. There is a psychological effect or a stigma in immediately finding one’s self laid off from work.”[42]

Moving on to the issue of the validity of redundancy program, SPI asserted that an employer has the unbridled right to conduct its own business in order to achieve the results it desires. To prove that Villanueva’s functions are redundant, SPI submitted an Inter-Office Memorandum[43] and affidavit executed by its Human Resources Director, Villanueva. The pertinent portions of the memorandum read:

ORGANIZATION STRUCTURE

One of the most important elements of successfully effecting change is to create an organization structure that is streamlined, clear and efficient. We think we have done that and the new format is illustrated in Attachment A. The upper part shows my direct reports who are heads of the various shared services departments and the lower part shows the set up of the business units. The important features of the structure are discussed in the following sections. For brevity, I have purposely not summarized the roles that will remain the same.

x x x x

Corporate Development

Peter Maquera will continue to head Corporate Development but the group’s scope will be expanded to include Marketing across the whole company. Essentially, Marketing will be taken out of the business units and centralized under Corporate Development. Elizabeth Nolan will move from her role as Publishing’s VP of Sales and Marketing to become the head of Global Marketing. The unit will continue to focus on strengthening the SPI brand, while at the same time maximizing the effectiveness of our spending. Josie Gonzales, head of Corporate Relations, will also be transitioned to Corporate Development. [44]

The memorandum made no mention that the position of the Corporate Development Manager or any other position would be abolished or deemed redundant. In this regard, may the affidavit of Villanueva which enumerated the various functions of a Corporate Development Manager being performed by other SPI employees

be considered as sufficient proof to uphold SPI's redundancy program?

In *AMA Computer College, Inc. v. Garcia, et al.*,^[45] the Court held that the presentation of the new table of the organization and the certification of the Human Resources Supervisor that the positions occupied by the retrenched employees are redundant are inadequate as evidence to support the college's redundancy program. The Court quotes the related portion of its ruling:

In the case at bar, ACC attempted to establish its streamlining program by presenting its new table of organization. ACC also submitted a certification by its Human Resources Supervisor, Ma. Jazmin Reginaldo, that the functions and duties of many rank and file employees, including the positions of Garcia and Balla as Library Aide and Guidance Assistant, respectively, are now being performed by the supervisory employees. These, however, do not satisfy the requirement of substantial evidence that a reasonable mind might accept as adequate to support a conclusion. As they are, they are grossly inadequate and mainly self-serving. More compelling evidence would have been a comparison of the old and new staffing patterns, a description of the abolished and newly created positions, and proof of the set business targets and failure to attain the same which necessitated the reorganization or streamlining.^[46] (Citations omitted and emphasis ours)

Also connected with the evidence negating redundancy was SPI's publication of job vacancies after Mapua was terminated from employment. SPI maintained that the CA erred when it considered Mapua's self-serving affidavit as regards the Prime Manpower advertisement because the allegations therein were based on Mapua's unfounded suspicions. Also, the failure of Mapua to present a sworn statement of Dimatulac renders the former's statements hearsay.

Even if we disregard Mapua's affidavit as regards the Prime Manpower advertisement, SPI admitted that it caused the Inquirer advertisement for a Marketing Communications Manager position.^[47] Mapua alleged that this advertisement belied the claim of SPI that her position is redundant because the Corporate Development division was only renamed to Marketing division.

Instead of explaining how the functions of a Marketing Communications Manager differ from a Corporate Development Manager, SPI hardly disputed Mapua when it stated that, "[j]udging from the titles or designation of the positions, it is obvious that the functions of one are entirely different from that of the other."^[48] SPI, being the employer, has possession of valuable information concerning the functions of the offices within its organization. Nevertheless, it did not even bother to differentiate the two positions.

Furthermore, on the assumption that the functions of a Marketing Communications Manager are different from that of a Corporate Development Manager, it was not even discussed why Mapua was not considered for the position. While SPI had no legal duty to hire Mapua as a Marketing Communications Manager, it could have clarified why she is not qualified for that position. In fact, Mapua brought up the subject of transfer to Villanueva and Raina several times prior to her termination but to no avail. There was even no showing that Mapua could not perform the duties of a Marketing Communications Manager.

Therefore, even though the CA based its ruling only on the Prime Manpower advertisement coupled with the purported disclosure to Mapua, the Court holds that the confluence of other factors supports the said ruling.

The Court does not agree with the rationalization of the NLRC that "[i]f it were true that her position was not redundant and indispensable, then the company must have already hired a new one to replace her in order not to jeopardize its business operations. The fact that there is none only proves that her position was not necessary and therefore superfluous."^[49]

What the above reasoning of the NLRC failed to perceive is that "[o]f primordial consideration is not the nomenclature or title given to the employee, but the nature of his functions."^[50] "It is not the job title but the

actual work that the employee performs.”[51] Also, change in the job title is not synonymous to a change in the functions. A position cannot be abolished by a mere change of job title. In cases of redundancy, the management should adduce evidence and prove that a position which was created in place of a previous one should pertain to functions which are dissimilar and incongruous to the abolished office.

Thus, in *Caltex (Phils.), Inc. (now Chevron Phils., Inc.) v. NLRC*,[52] the Court dismissed the employer’s claim of redundancy because it was shown that after declaring the employee’s position of Senior Accounting Analyst as redundant, the company opened other accounting positions (Terminal Accountant and Internal Auditor) for hiring. There was no showing that the private respondent therein could not perform the functions demanded of the vacant positions, to which he could be transferred to instead of being dismissed.

On the issue of the solidary obligation of the corporate officers impleaded vis-à-vis the corporation for Mapua’s illegal dismissal, “[i]t is hornbook principle that personal liability of corporate directors, trustees or officers attaches only when: (a) they assent to a patently unlawful act of the corporation, or when they are guilty of bad faith or gross negligence in directing its affairs, or when there is a conflict of interest resulting in damages to the corporation, its stockholders or other persons; (b) they consent to the issuance of watered down stocks or when, having knowledge of such issuance, do not forthwith file with the corporate secretary their written objection; (c) they agree to hold themselves personally and solidarily liable with the corporation; or (d) they are made by specific provision of law personally answerable for their corporate action.”[53]

While the Court finds Mapua’s averments against Villanueva, Nolan, Maquera and Raina as detailed and exhaustive, the Court takes notice that these are mostly suppositions on her part. Thus, the Court cannot apply the above-enumerated exceptions when a corporate officer becomes personally liable for the obligation of a corporation to this case.

With respect to the vehicle under the company car plan which the LA awarded to Mapua, the Court rules that the subject matter is not within the jurisdiction of the LA but with the regular courts, the remedy being civil in nature arising from a contractual obligation, following this Court’s ruling in several cases.[54]

The Court sustains the CA’s award of moral and exemplary damages. Award of moral and exemplary damages for an illegally dismissed employee is proper where the employee had been harassed and arbitrarily terminated by the employer. Moral damages may be awarded to compensate one for diverse injuries such as mental anguish, besmirched reputation, wounded feelings, and social humiliation occasioned by the employer’s unreasonable dismissal of the employee. The Court has consistently accorded the working class a right to recover damages for unjust dismissals tainted with bad faith; where the motive of the employer in dismissing the employee is far from noble. The award of such damages is based not on the Labor Code but on Article 220 of the Civil Code.[55] However, the Court observes that the CA decision affirming the LA’s award of P500,000.00 and P250,000.00 as moral and exemplary damages, respectively, is evidently excessive because the purpose for awarding damages is not to enrich the illegally dismissed employee. Consequently, the Court hereby reduces the amount of P50,000.00 each as moral and exemplary damages.[56]

Mapua is also entitled to attorney’s fees but the Court is modifying the amount of P196,848.42 awarded by the LA and fix such attorney’s fees in the amount of ten percent (10%) of the total monetary award, pursuant to Article 111[57] of the Labor Code.

WHEREFORE, the Decision dated October 28, 2009 and Resolution dated January 18, 2010 of the Court of Appeals in CA-G.R. SP. No. 107879 are hereby AFFIRMED with the following MODIFICATIONS:

- Moral and exemplary damages is hereby reduced to P50,000.00 each; and

- Attorney's fees shall be computed at ten percent (10%) of the aggregate monetary award.

The monetary awards shall earn interest at the rate of six percent (6%) per annum from the time of respondent Victoria K. Mapua's illegal dismissal until finality of this Decision, and twelve percent (12%) legal interest thereafter until fully paid.

Petitioner SPI Technologies, Inc. shall be liable for the foregoing awards.

SO ORDERED.

Sereno, C.J., (Chairperson), Leonardo-De Castro, Bersamin, and Villarama, Jr., JJ., concur.

[1] *Lowe, Inc. v. Court of Appeals*, G.R. Nos. 164813 and 174590, August 14, 2009, 596 SCRA 140, 153.

[2] *Rollo*, pp. 5-52.

[3] Penned by Associate Justice Remedios A. Salazar-Fernando, with Associate Justices Isaias P. Dicdican and Romeo F. Barza, concurring; *id.* at 761-784.

[4] *Id.* at 830-831.

[5] *Id.* at 103, 105.

[6] *Id.* at 105.

[7] *Id.* at 105-106.

[8] *Id.* at 107.

[9] *Id.* at 108.

[10] *Id.* at 109.

[11] *Id.* at 112-113.

[12] *Id.* at 159.

[13] *Id.*

[14] *Id.* at 164.

[15] *Id.* at 114-115.

[16] *Id.* at 61, 96.

[17] *Id.* at 167.

[18] *Id.* at 234.

[19] *Id.* at 248-270.

[20] *Id.* at 327-333.

[21] *Id.* at 341-343.

[22] *Id.* at 69.

[23] *Id.* at 92-95.

[24] Id. at 70.

[25] Id. at 89-91.

[26] Id. at 308-320.

[27] Issued by Labor Arbiter Daisy G. Canton-Barcelona; id. at 349-384.

[28] Id. at 383-384.

[29] Id. at 467-481.

[30] Id. at 480-481.

[31] Id. at 474.

[32] Id.

[33] Id. at 607-608.

[34] Id. at 668-670.

[35] Id. at 761-784.

[36] Id. at 783.

[37] Id. at 17.

[38] 364 Phil. 912 (1999).

[39] Id. at 930.

[40] Rollo, p. 244.

[41] Id. at 264.

[42] *Serrano v. NLRC*, 387 Phil. 345, 354 (2000).

[43] Rollo, pp. 92-95.

[44] Id. at 92, 95.

[45] 574 Phil. 409 (2008).

[46] Id. at 423.

[47] Rollo, p. 23.

[48] Id.

[49] Id. at 479.

[50] *SCA Hygiene Products Corporation Employees Association-FFW v. SCA Hygiene Products Corporation*, G.R. No. 182877, August 9, 2010, 627 SCRA 414, 423, citing *National Federation of Labor Unions [NAFLU] v. NLRC*, 279 Phil. 386, 393 (1991).

[51] *Estiva v. National Labor Relations Commission*, G.R. No. 95145, August 5, 1993, 225 SCRA 169.

[52] 562 Phil. 167 (2007).

[53] *Abbott Laboratories, Philippines, Cecille A. Terrible, Edwin D. Feist, Maria Olivia T. Yabutmisa, Teresita C. Bernardo, and Allan G. Almazar v. Pearlie Ann F. Alcaraz*, G.R. No. 192571, July 23, 2013, citing *Carag v. NLRC*, 548 Phil. 581, 605 (2007).

[54] *Manese v. Jollibee Foods Corporation*, G.R. No. 170454, October 11, 2012, 684 SCRA 34; *Tamonte v. Hongkong and Shanghai Banking Corporation Ltd.*, G.R. No. 166970, August 17, 2011, 655 SCRA 614; *Smart Communications, Inc. v. Astorga*, 566 Phil. 422 (2008).

[55] *Coca-Cola Bottlers Philippines, Inc. v. Del Villar*, G.R. No. 163091, October 6, 2010, 632 SCRA 293, 320-321.

[56] Amount of damages is pursuant to ruling in *General Milling Corporation v. Viajar*, G.R. No. 181738, January 30, 2013, 689 SCRA 598, which affirmed CA's award of damages.

[57] Art. 111. Attorney's fees – In cases of unlawful withholding of wages, the culpable party may be assessed attorney's fees equivalent to ten percent of the amount of wages recovered.

It shall be unlawful for any person to demand or accept, in any judicial or administrative proceedings for the recovery of wages, attorney's fees which exceed ten percent of the amount of wages recovered.

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