

CLARITA V. CRUZ, PETITIONER, VS. NATIONAL LABOR RELATIONS COMMISSION (NLRC), PHILIPPINE OVERSEAS EMPLOYMENT ADMINISTRATION (POEA), EMS MANPOWER & PLACEMENT SERVICE (PHIL.), ABDU...*G.R. No. 98273. October 28, 1991*

Ponente: CRUZ, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-98273/>**CRUZ, J.:**

Clarita V. Cruz* went abroad pursuant to an employment contract that she hoped would improve her future. Although a high school graduate, she agreed to work as a domestic helper in Kuwait in consideration of an attractive salary and vacation leave benefits she could not expect to earn in this country. But her foreign adventure proved to be a bitter disappointment. On March 18, 1988, after completing her two-year engagement, she was back home in the Philippines with her dead dreams and an angry grievance.

On March 23, 1988, she filed a complaint against EMS Manpower and Placement Services (Phil.) and its foreign principal, Abdul Karim Al Yahya, for underpayment of her salary and non-payment of her vacation leave. She also claimed that she was charged a placement fee of P7,000.00 instead of the legal maximum of only P5,000.00. She alleged that her foreign employer treated her as a slave and required her to work 18 hours a day. She was beaten up and suffered facial deformity, head trauma and decreased sensation in the right portion of her body. On top of all this, she was paid only \$120 per month and her total salaries were given to her only three hours before her flight back to Manila. This was after the plane she was supposed to take had left and she had to stay in the airport for 24 hours before her employer finally heard her pleas and delivered her passport and ticket to her.

In its answer and position paper, the private respondent raised the principal defense of settlement as evidenced by the Affidavit of Desistance executed by the complainant on June 21, 1988. In this document, she declared inter alia that -

x x x

2. Thereafter going thoroughly over the facts of the case by reconciling our records, we came to discover that it was only a plain case of misunderstanding on our part, and that we have already settled our differences;

3. That I am no longer interested in further continuance of the above case against EMS Manpower & Placement Services either criminal, civil or administrative or whatever nature as I hereby desist now and hereafter;

4. That I am executing this affidavit of desistance to attest to the truth of the foregoing facts and circumstances and for the purpose of asking the dismissal of my said complaint against EMS Manpower & Placement Services.

On the basis of this affidavit, the Philippine Overseas Employment Administration (POEA) dismissed her complaint in a decision dated May 16, 1989. This was affirmed by the National Labor Relations Commission

(NLRC) in its resolution dated December 28, 1990, reconsideration of which was denied on February 21, 1991.

The petition now before us faults the POEA and the NLRC with grave abuse of discretion for having upheld the Affidavit of Desistance. Cruz rejects the settlement as having been obtained from her under duress and false pretenses and insists on her original claim for the balance of her salaries and vacation-leave pay at the agreed rate of \$250.00 per month.

Her contention is that she was inveigled into signing the Affidavit of Desistance without the assistance of counsel. The "Attorney" Alvarado who assisted her was not really a lawyer but only a helper in the Overseas Workers Welfare Administration. Atty. Biolena, on the other hand, merely acknowledged the document. Moreover, when she signed the affidavit, she was under the impression that she was agreeing to settle only her claim for one month unpaid vacation leave, as the wording of the receipt she issued on the same date showed, to wit:

June 21, 1988

Receipt

This is to certify that I received the amount of P2,400.00 from EMS Manpower & Placement Services in settlement of 1 month unpaid vacation leave.

(Sgd.) CLARITA V. CRUZ

IN THE PRESENCE OF:

(Sgd.) O.G. ALVARADO

OWWA Legal Dept.

For its part, the private respondent argues that the petitioner is bound by her Affidavit of Desistance, which she freely and knowingly executed. After all, she was not an ignorant and illiterate person but a high school graduate who understood what she was signing. The due execution of the instrument must also be sustained on the basis of the presumptions of regularity of official functions and of good faith.

Significantly, neither the private respondent nor the Solicitor General refuted the petitioner's submission that the person who allegedly assisted her in the execution of the Affidavit of Desistance and explained to her its content and meaning was not a lawyer but a mere employee in the OWWA. His status was merely assumed but not established by the respondents although it was directly questioned. The comments of the public and private respondents did not meet this challenge squarely.

It is no less noteworthy that the receipt the petitioner issued on the same day was only for "P2,400.00 x x x in settlement of 1 month unpaid vacation." This clearly shows that she was not waiving the rest of her demands in exchange for that measly amount (which did not even really represent the commutable value of the 1 month vacation leave at the rate of \$250.00). In fact, the total claim of the petitioner is for P88,840.00, itemized as follows:

- a) P84,240.00, representing the salary differentials of \$130 for 24 months (US \$3,120.00 x P27.00).
- b) P2,600.00, representing the balance of her vacation leave pay.
- c) P2,000.00, representing her excess placement fee.

In *Principe v. Philippine-Singapore Transport Service, Inc.*,^[1] this Court held:

Even assuming for the sake of argument that the quitclaim had foreclosed petitioner's right over the death benefits of her husband, the fact that the consideration given in exchange thereof was very much less than the

amount petitioner is claiming renders the quitclaim null and void for being contrary to public policy. The State must be firm in affording protection to labor. The quitclaim wherein the consideration is scandalously low and inequitable cannot be an obstacle to petitioner's pursuing her legitimate claim. Equity dictates that the compromise agreement should be voided in this instance. (Emphasis supplied.)

The following guidelines were likewise set in *Periquet v. NLRC*[2]:

Not all waivers and quitclaims are invalid as against public policy. If the agreement was voluntarily entered into and represents a reasonable settlement, it is binding on the parties and may not later be disowned simply because of a change of mind. It is only where there is clear proof that the waiver was wangled from an unsuspecting or gullible person, or the terms of settlement are unconscionable on its face, that the law will step in to annul the questionable transaction. (Emphasis supplied.)

The Court is convinced that the petitioner was not fully aware of the import and consequences of the Affidavit of Desistance when she executed it, allegedly with the assistance of counsel. Except for the disputable presumptions invoked by the private respondent, such assistance has not been established against the petitioner's allegation that the "Attorney" Alvarado who supposedly counseled her was not even a lawyer. Indeed, even assuming that such assistance had been duly given, there is still the question of the intrinsic validity of the quitclaim in view of the gross disparity between the amount of the settlement and the petitioner's original claim. It is difficult to believe that the petitioner would agree to waive her total claim of P88,840.00 for the unseemly settlement of only P2,400.00. And even if she did, the waiver would still be null and void as violative of public policy.

It remains to state that, contrary to the contention of the private respondent in the proceedings below that it has no privity of contract with the petitioner, we have held in a long line of cases that the local recruiter is solidarily liable with the foreign principal for all damages sustained by the overseas worker in connection with his contract of employment. Such liability is provided for in Section 1, Rule II, Book II, of the POEA Rules and Regulations, which we have consistently sustained.

This decision demonstrates once again the tenderness of the Court toward the worker subjected to the lawless exploitation and impositions of his employer. The protection of our overseas workers is especially necessary because of the inconveniences and even risks they have to undergo in their quest for a better life in a foreign land away from their loved ones and their own government.

The domestic helper is particularly susceptible to abuse because she usually works only by herself in a private household unlike other workers employed in an open business concern who are able to share and discuss their problems and bear or solve them together. The domestic helper is denied that comfort. She has no companions in her misery. She usually broods alone. There is no one to turn to for help. That is why we must carefully listen to her when she is finally able to complain against those who would rob her of her just rewards and even of her dignity as a human being.

WHEREFORE, the resolutions of the NLRC dated December 28, 1990, and February 21, 1991, are SET ASIDE, and the Affidavit of Desistance is DECLARED null and void. POEA Case No. 88-03-255 is REMANDED to the POEA for further proceedings and expeditious resolution.

SO ORDERED.

Narvasa, (Chairman), Griño-Aquino, and Medialdea, JJ., concur.

* Not related to the ponente.

[1] 176 SCRA 514.

[2] 186 SCRA 724.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.