SPECIAL SECOND DIVISION

SARA LEE PHILIPPINES, INC., **G.R. No. 180147**
Petitioner,

-versus-

EMILINDA D. MACATLANG, ET AL.,[1]
Respondents.
x - x

ARIS PHILIPPINES, INC., **G.R. No. 180148**
Petitioner,

-versus-

EMILINDA D. MACATLANG, ET AL.,
Respondents.

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* Per Special Order No. 1910 dated 12 January 2015.

1 Due to the sheer number of complainants, the names of the 5,983 others were omitted but which could be found in the annexes of the Labor Arbiter's decision. See *Rollo* (G.R. No. 180147), pp. 230-348.

SARA LEE CORPORATION, **G.R. No. 180149**
Petitioner,

-versus-

EMILINDA D. MACATLANG, ET AL.,
Respondents.
x - x

CESAR C. CRUZ, **G.R. No. 180150**
Petitioner,

-versus-

EMILINDA D. MACATLANG, ET AL.,
Respondents.
x - x

FASHION ACCESSORIES PHILS., INC.,
Petitioner,

G.R. No. 180319

-versus-

EMILINDA D. MACATLANG, ET AL.,
Respondents.

x - x

EMILINDA D. MACATLANG, ET AL.,
Petitioners,

G.R. No. 180685

Present:

-versus-

CARPIO, *J.*,
Chairperson,
VELASCO, JR.,*
DEL CASTILLO,
PEREZ, and
PERLAS-BERNABE, JJ.

NLRC, ARIS PHILIPPINES, INC., FASHION ACCESSORIES PHILS., INC., SARA LEE CORPORATION, SARA LEE PHILIPPINES, INC., COLLIN BEAL and ATTY. CESAR C. CRUZ,
Respondents.

Promulgated:

JAN 14 2015

x----------x

R E S O L U T I O N

PEREZ, *J.*:

This treats of the 1) Motion for Reconsideration with Urgent Petition for the Court's Approval of the Pending "Motion for Leave of Court to File and Admit Herein Statement and Confession of Judgment – to Buy Peace and/or Secure against any Possible Contingent Liability by Sara Lee Corporation" filed by Sara Lee Philippines Inc. (SLPI), Aris Philippines Inc. (Aris), Sara Lee Corporation (SLC) and Cesar C. Cruz, 2) Motion for Reconsideration filed by Fashion Accessories Phils. Inc. (FAPI), and 3) Manifestation of Conformity to the Motion for Leave of Court to File and Admit Confession of Judgment – to Buy Peace and/or to Secure against any Possible Contingent Liability by Petitioner SLC.

In the Decision dated 4 June 2014, this Court directed SLPI, Aris, SLC, Cesar Cruz, and FAPI, collectively known as the Corporations, to post ₱725 Million, in cash or surety bond, within 10 days from the receipt of the Decision. The Court further nullified the Resolution of the National Labor Relations Commission (NLRC) dated 19 December 2006 for being premature.

The Motion for Reconsideration is anchored on the following grounds:

> A. The Court failed to consider the "Motion for Leave of Court to file and Admit Herein Statement and Confession of Judgment to Buy Peace and/or to Secure Against any Possible Contingent Liability by Petitioner Sara Lee Corporation" (hereafter the "compromise agreement") filed by petitioner Sara Lee Corporation on June 23, 2014 before receipt of the Decision of June 04, 2014 on July 31, 2014 with the conformity of the respondents in their "Manifestation and Conformity to the Petitioners' Motion for Leave to File and Admit Statement of Confession of Judgment" dated July 04, 2014 which could have terminated the present cases and avoid delays with its remand for further proceedings below.
>
> B. The Court did not duly rule on the violations of the rights of due process of Petitioner SLPI as shown by the following:
>
> > 1. The Labor Arbiter has never acquired jurisdiction over Petitioner SLPI which was never impleaded as a party respondent and was never validly served with summons which fact was specifically mentioned in NLRC's Resolution of December 19, 2006; and

2. There is no employer-employee relationships between Petitioner SLPI and the respondents.

C. The Court did not duly rule on the violations of the rights of due process of Petitioner SLC because of the following:

1. The Labor Arbiter has never acquired jurisdiction over Petitioner SLC which was never impleaded as a party respondent and was never validly served with summons which fact was specifically raised by the Court as an issue in page 12 of the Decision of June 04, 2014 but remained unresolved; and
2. There is no employer-employee relationship between Petitioner SLC and the respondents.

D. The Court did not duly rule on the violations of the rights of due process of Petitioner Cesar C. Cruz as shown by the following:

1. The Labor Arbiter has never acquired jurisdiction over Petitioner Cesar C. Cruz who was never impleaded as a party respondent and was never validly served with summons; and
2. There is no employer-employee relationship between petitioner Cesar C. Cruz and the respondents.

E. There was no legal impediment for the NLRC to issue its Resolution of December 19, 2006 vacating the Labor Arbiter's Decision and remanding the case to the Labor Arbiter for further proceeding as no Temporary Restraining Order (TRO) or Writ of Preliminary Injunction was issued by the Court of Appeals and the rule on judicial courtesy remains the exception rather than the rule.

F. The Court did not duly rule on the applicability of the final and executory Decision of Fullido, et al., v. Aris Philippines, Inc. and Cesar C. Cruz (G.R. No. 185948) with respect to the present consolidated cases considering the identical facts and issues involved plus the fact that the Court in Fullido sustained the findings and decisions of three (3) other tribunals, i.e., the Court of Appeals, the NLRC and the Labor Arbiter.

G. The Court failed to consider the prescription of the complaints for money claims filed by the respondents against the Petitioners under Article 291 of the Labor Code due to the lapse of three (3) years and four (4) months when Petitioners were impleaded as respondents only through the amendment of complaints by the complainants, the respondents' herein.

H. The Court also did not consider that the Complaints filed by the respondents are barred by *res judicata* because of the final and executory decision rendered by the Voluntary Arbitrator on the identical facts and issues in the case filed by the labor union representing the respondents against Petitioner API.

I. Contrary to the Decision of June 04, 2014, the Abelardo petition (CA GR SP No. 95919, Pacita S. Abelardo v. NLRC, Aris, Philippines,

> Inc.) was filed earlier than the Macatlang petition (CA GR SP No. 96363) as shown by the lower docket number, thus, the Macatlang petition should be the one dismissed for forum shopping.
>
> J. In fixing the bond to PhP725 Million which is 25% of the monetary award, the Court failed to consider the En Banc Decision in McBurnie v. Ganzon, 707 SCRA 646, 693 (2013) which required only the posting of a bond equivalent to ten percent (10%) of the monetary award.[2]

We briefly revisit the factual milieu of this case.

Aris permanently ceased operations on 9 October 1995 displacing 5,984 rank-and-file employees. On 26 October 1995, FAPI was incorporated prompting former Aris employees to file a case for illegal dismissal on the allegations that FAPI was a continuing business of Aris. SLC, SLP and Cesar Cruz were impleaded as defendants being major stockholders of FAPI and officers of Aris, respectively.

On 30 October 2004, the Labor Arbiter found the dismissal of 5,984 Aris employees illegal and awarded them monetary benefits amounting to ₱3,453,664,710.86. The judgment award is composed of separation pay of one month for every year of service, backwages, moral and exemplary damages and attorney's fees.

The Corporations filed a Notice of Appeal with Motion to Reduce Appeal Bond. They posted a ₱4.5 Million bond. The NLRC granted the reduction of the appeal bond and ordered the Corporations to post an additional ₱4.5 Million bond.

The 5,984 former Aris employees, represented by Emilinda Macatlang (Macatlang petition), filed a petition for review before the Court of Appeals insisting that the appeal was not perfected due to failure of the Corporations to post the correct amount of the bond which is equivalent to the judgment award.

While the case was pending before the appellate court, the NLRC prematurely issued an order setting aside the decision of the Labor Arbiter for being procedurally infirmed.

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2 *Rollo* (G.R. No. 180319, Vol. III), pp. 2742-2744.

The Court of Appeals, on 26 March 2007, ordered the Corporations to post an additional appeal bond of ₱1 Billion.

In our Decision dated 4 June 2014, we modified the Court of Appeals' Decision, to wit:

> WHEREFORE, the Decision of the Court of Appeals in CA-G.R. SP No. 96363 dated 26 March 2007 is MODIFIED. The Corporations are directed to post P725 Million, in cash or surety bond, within TEN (10) days from the receipt of this DECISION. The Resolution of the NLRC dated 19 December 2006 is VACATED for being premature and the NLRC is DIRECTED to act with dispatch to resolve the merits of the case upon perfection of the appeal.[3]

We also resolved the procedural issue of forum-shopping by holding that the 411 petitioners of the Pacita Abelardo petition (Abelardo petition) are not representative of the interest of all petitioners in Macatlang petition. The number is barely sufficient to comprise the majority of petitioners in Macatlang petition and it would be the height of injustice to dismiss the Macatlang petition which evidently enjoys the support of an overwhelming majority due to the mistake committed by petitioners in the Abelardo petition.

The Motion for Reconsideration has no merit.

The Corporations score this Court for failing to consider the ruling in *McBurnie v. Ganzon*[4] which purportedly required only the posting of a bond equivalent to 10% of the monetary award.

The Corporations gravely misappreciated the ruling in *McBurnie*. The 10% requirement pertains to the reasonable amount which the NLRC would accept as the minimum of the bond that should accompany the motion to reduce bond in order to suspend the period to perfect an appeal under the NLRC rules. The 10% is based on the judgment award and should in no case be construed as the minimum amount of bond to be posted in order to perfect appeal. There is no room for a different interpretation when *McBurnie* made it clear that the percentage of bond set is provisional, thus:

> The foregoing shall not be misconstrued to unduly hinder the NLRC's exercise of its discretion, given that the percentage of bond that is set by

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3 Id. at 2319.

4 G.R. Nos. 178034 and 178117, G.R. Nos. 186984-85, 17 October 2013.

> this guideline shall be merely provisional. The NLRC retains its authority and duty to resolve the motion and determine the final amount of bond that shall be posted by the appellant, still in accordance with the standards of "meritorious grounds" and "reasonable amount." Should the NLRC, after considering the motion's merit, determine that a greater amount or the full amount of the bond needs to be posted by the appellant, then the party shall comply accordingly. The appellant shall be given a period of 10 days from notice of the NLRC order within which to perfect the appeal by posting the required appeal bond.

The Corporations argue that there was no legal impediment for the NRLC to issue its 19 December 2006 Resolution vacating the Labor Arbiter's Decision as no TRO or injunction was issued by the Court of Appeals. The Corporations assert that the rule on judicial courtesy remains the exception rather than the rule.

We do not agree. In the recent case of *Trajano v. Uniwide Sales Warehouse Club*,[5] this Court gave a brief discourse on judicial courtesy, which concept was first introduced in *Eternal Gardens Memorial Park Corp. v. Court of Appeals*,[6] to wit:

> x x x [t]he principle of judicial courtesy to justify the suspension of the proceedings before the lower court even without an injunctive writ or order from the higher court. In that case, we pronounced that "[d]ue respect for the Supreme Court and practical and ethical considerations should have prompted the appellate court to wait for the final determination of the petition [for certiorari] before taking cognizance of the case and trying to render moot exactly what was before this [C]ourt." We subsequently reiterated the concept of judicial courtesy in *Joy Mart Consolidated Corp. v. Court of Appeals.*
>
> We, however, have qualified and limited the application of judicial courtesy in *Go v. Abrogar* and *Republic v. Sandiganbayan*. In these cases, we expressly delimited the application of judicial courtesy to maintain the efficacy of Section 7, Rule 65 of the Rules of Court, and held that the principle of judicial courtesy applies only "if there is a strong probability that the issues before the higher court would be rendered moot and moribund as a result of the continuation of the proceedings in the lower court." Through these cases, we clarified that the principle of judicial courtesy remains to be the exception rather than the rule.[7]

The Corporations' argument is specious. Judicial courtesy indeed applies if there is a strong probability that the issues before the higher court

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5 G.R. No. 190253, 11 June 2014.

6 247 Phil. 387 (1988).

7 *Trajano v. Uniwide Sales Warehouse Club*, supra note 5.

would be rendered moot as a result of the continuation of the proceedings in the lower court. This is the exception contemplated in the aforesaid ruling and it obtains in this case. The 19 December 2006 ruling of the NLRC would moot the appeal filed before the higher courts because the issue involves the appeal bond which is an indispensable requirement to the perfection of the appeal before the NLRC. Unless this issue is resolved, the NLRC should be precluded from ruling on the merits on the case. This is the essence of judicial courtesy.

The other grounds raised by the Corporations in this Motion for Reconsideration such as the denial of due process due to invalid service of summons on SLPI, SLC and Cesar Cruz; prescription, *res judicata*, and the applicability of the *Fulido* case[8] with the instant case were all raised and resolved by the Labor Arbiter in favor of former Aris employees in its Decision dated 30 October 2004. That same decision was appealed by the Corporations before the NLRC. The perfection of said appeal through the posting of a partial bond was put into question and that is precisely the main issue brought before the appellate court and before us.

By urging this Court to make a definitive ruling on these issues petitioners would have us rule on the merits, which at this point this Court cannot do as the labor proceedings remain incomplete. If at all, the stage that has been passed is the proceedings before the Labor Arbiter. And, without the NLRC stage, the Labor Arbiter's decision is final and executory. It is obvious that petitioners do not want either of the two options now open to them: a) allow the finality of the adverse judgment in the amount of ₱3,453,664,710.86, or b) file the ₱750 Million bond for the review by the NLRC of the ₱3,453,664,710.86 decision of the Labor Arbiter. They would want their liability finally reduced to just half of the amount of the required appeal bond, or ₱350 million. The injustice to the employees is patent.

Now we proceed to tackle the Motion filed by the parties to Admit Confession of Judgment.

The Corporations entered into a compromise with some of the former Aris employees which they designate as Confession of Judgment. The Corporations reason that a resort to judgment by confession is the acceptable alternative to a compromise agreement because of the impossibility to obtain the consent to a compromise of all the 5,984 complainants.

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[8] Third Division Resolution dated 30 March 2009 with G.R. No. 185948, entitled "*Gabriel Fulido v. Aris Philippines, Inc.*"

A confession of judgment is an acknowledgment that a debt is justly due and cuts off all defenses and right of appeal. It is used as a shortcut to a judgment in a case where the defendant concedes liability. It is seen as the written authority of the debtor and a direction for entry of judgment against the debtor.[9]

The Corporations cite the case of *Republic of the Philippines v. Bisaya Land Transportation Co*.[10] to outline the distinction between a compromise agreement/judgment on consent and a confession of judgment/judgment by confession, thus:

> x x x a motion for judgment on consent is not to be equated with a judgment by confession. The former is one the provisions and terms of which are settled and a agreed upon by the parties to the action, and which is entered in the record by the consent and sanction of the court, Hence, there must be an unqualified agreement among the parties to be bound by the judgment on consent before said judgment may be entered. The court does not have the power to supply terms, provisions, or essential details not previously agreed to by the parties x x x. On the other hand, a judgment by confession is not a plea but an affirmative and voluntary act of the defendant himself. Here, the court exercises a certain amount of supervision over the entry of judgment, as well as equitable jurisdiction over their subsequent status.[11]

In the same breadth, the Corporations also acknowledge that a compromise agreement and a judgment by confession stand upon the same footing in that both may not be executed by counsel without knowledge and authority of the client. If we were to rely on the Corporations' submission that all 5,984 complainants' SPAs could not be obtained, then the Confession of Judgment is void.

Even if we dismiss the Corporations' choice of designation as pure semantics and consider the agreement they entered into with the complainants as a form of a compromise agreement, we still could not approve the same.

We elucidate.

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9 46 Am Jur 2d Judgments § 204, citing *Bank of Chatham v. Arendall*, 178 Va. 183, 16 S.E.2d 352 (1941), *Cheidem Corp. v. Farmer*, 449 A.2d 1061 (Del. Super. Ct. 1982); *Citibank, Nat. Ass'n v. London*, 526 F. Supp. 793 (S.D. Tex. 1981).

10 171 Phil. 7 (1978).

11 Id. at 18.

A compromise is a contract whereby the parties, by making reciprocal concessions, avoid a litigation or put an end to one already commenced. It is an agreement between two or more persons, who, for preventing or putting an end to a lawsuit, adjust their difficulties by mutual consent in the manner which they agree on, and which everyone of them prefers to the hope of gaining, balanced by the danger of losing.[12]

A compromise must not be contrary to law, morals, good customs and public policy; and must have been freely and intelligently executed by and between the parties.[13]

Article 227 of the Labor Code of the Philippines authorizes compromise agreements voluntarily agreed upon by the parties, in conformity with the basic policy of the State "to promote and emphasize the primacy of free collective bargaining and negotiations, including voluntary arbitration, mediation and conciliation, as modes of settling labor or industrial disputes."[14] The provision reads:

> ART. 227 Compromise Agreements. – Any compromise settlement, including those involving labor standard laws, voluntarily agreed upon by the parties with the assistance of the Bureau or the regional office of the Department of Labor, shall be final and binding upon the parties. The National Labor Relations Commission or any court shall not assume jurisdiction over issues involved therein except in case of noncompliance thereof or if there is prima facie evidence that the settlement was obtained through fraud, misrepresentation, or coercion.

A compromise agreement is valid as long as the consideration is reasonable and the employee signed the waiver voluntarily, with a full understanding of what he was entering into.[15]

The compromise agreement which the Corporations deem as Confession of Judgment is reproduced in full below:

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12 *David v. Court of Appeals*, G.R. No. 97240, 16 October 1992, 214 SCRA 644, 650 citing Article 2028, Civil Code; *Rovero v. Amparo*, 91 Phil. 228, 235 (1952) citing Black's Law Dictionary, p. 382; *Arcenas v. Judge Cinco*, 165 Phil. 741, 748 (1976).

13 *Magbanua v. Uy*, 497 Phil. 511, 518 (2005) citing *The Learning Child, Inc. v. Lazaro*, 394 Phil. 378, 382 (2000); *Calla v. Maglalang*, 382 Phil. 138, 143 (2000); *Salazar v. Jarabe*, 91 Phil. 596, 601 (1952).

14 *Philippine Journalists, Inc. v. NLRC*, 532 Phil. 531, 545 (2006).

15 *Eurotech Hair Systems, Inc. v. Go*, 532 Phil. 317, 325 (2006).

CONFESSION OF JUDGMENT

The undersigned counsel, by virtue of the special authority granted by HILLSHIRE earlier attached as Annex "B" and made an integral part hereof seeks the approval of this Honorable Court of this Judgment by Confession under the following terms and conditions, to wit:

1. HILLSHIRE will pay to the 5,984 respondents (complainants) the total amount of THREE HUNDRED FORTY TWO MILLION TWO HUNDRED EIGHTY-FOUR THOUSAND AND EIGHT HUNDRED PESOS (PhP342,284,800.00) or at FIFTY SEVEN THOUSAND TWO HUNDRED PESOS (PhP57,200.00) for each respondent (complainant) inclusive of the attorney's fees of EIGHT THOUSAND FIVE HUNDRED EIGHTY PESOS (PhP8,580.00) which each respondent (complainant) will actually pay to their counsel of record as the total consideration for the dismissal with prejudice of all the pending cases before this Honorable Court and all the cases pending before the National Labor Relations Commission against all the petitioners.

2. The above agreed amount of THREE HUNDRED FORTY TWO MILLION TWO HUNDRED EIGHTY-FOUR THOUSAND AND EIGHT HUNDRED PESOS (PhP342,284,800.00) shall be distributed as follows:

2.1 FORTY EIGHT THOUSAND SIX [HUNDRED] TWENTY PESOS (PhP48,620.00) to each respondent (complainant), and

2.2 EIGHT THOUSAND FIVE HUNDRED EIGHTY PESOS (PhP8,580.00) to the lawyer of each respondent (complainant) by virtue of the Special Power of Attorney given by each respondent (complainant) to lead Emilinda D. Macatlang who gave SPA to Atty. Alex Tan.

3. HILLSHIRE will deposit the amount of THREE HUNDRED FORTY TWO MILLION TWO HUNDRED EIGHTY-FOUR THOUSAND AND EIGHT HUNDRED PESOS (PhP342,284,800.00) with a local bank duly licensed by the Bangko Sentral ng Pilipinas (BSP) within sixty (60) days from the date of the issuance of a Certificate of Finality and/or Entry of Judgment of the Decision of this Honorable Court on this Confession of Judgment.

4. The amount of FORTY EIGHT THOUSAND SIX HUNDRED TWENTY PESOS (PhP48,620.00) shall be paid directly to each respondent (complainant) and the corresponding attorney's fees of EIGHT THOUSAND FIVE HUNDRED EIGHTY PESOS (PhP8,580.00) shall be paid to their lawyers (duly authorized by an SPA) by the bank through a manager's check.

5. The total deposit of THREE HUNDRED FORTY TWO MILLION TWO HUNDRED EIGHTY FOUR THOUSAND EIGHT HUNDRED PESOS (PhP342,284,800.00) must be claimed by the respondents (complainants) from the depository bank within two (2) years from the

date of the Certificate of Finality or Entry of Judgment issued by this Honorable Court.

6. Any balance of the deposited amount which remains unclaimed by the respondents (complainants) within the two (2) year period referred to above shall automatically revert and be returned to and may be withdrawn by HILLSHIRE and/or its attorney-in-fact, without the necessity of any prior Order or permission from this Honorable Court.

7. Thereafter, upon expiration of the two (2) year period referred to above, HILLSHIRE's obligation to make any payment to the respondents (Complainants) shall *ipso facto* cease, expire and terminate and the judgment by confession shall be considered satisfied, fulfilled and terminated.

8. The bank to which the amount of the confessed judgment (PhP342,284,800.00) is deposited shall be authorized by HILLSHIRE through the undersigned attorney to pay to individual respondents (complainants) listed in the original Decision dated October 30, 2004 of the Labor Arbiter and/or their lawyers the above agreed amounts subject to the following conditions:

8.1 Complainants shall personally claim the payment to them from the bank upon presentation of any recognized government ID's such as Driver's License, Senior Citizen's Card, Voter's ID, SSS ID, Unified Multipurpose Identification Card, Postal ID, Passport, or Certification Under Oath by the Barangay Chairman as to the identity of the respondent (complainant), or

8.2 By the duly authorized representative of respondent (complainant) evidenced by a duly notarized Special Power of Attorney in case the respondent (complainant) cannot personally claim his/her payment due to sickness or physical disability.

9. The lead complainant, Ms. Emilinda D. Macatlang, and Atty. Alex Tan shall take adequate steps to inform all the respondents (complainants) by personal notice or media announcement of this confession of judgment upon receipt of the Decision of this Honorable Court.

10. All fully paid respondents (complainants) shall execute a Waiver, Release and Quitclaim.

11. Upon the approval of this Confession of Judgment by this Honorable Court, all cases pending before this Honorable Court and the NLRC shall automatically be considered dismissed, terminated and of no force and effect.

Petitioners invite the attention of this Honorable Court that the above monetary consideration for both the respondents (complainants) and their counsel under the above terms and conditions have been agreed upon with Atty. Alex Tan before the filing of this confession of judgment.

> To reiterate, this confession of judgment is made by HILLSHIRE for the purpose of buying peace and/or to secure to the said petitioner and the other Petitioners against any possible contingent liability which may accrue to them as a consequence of their having been made Respondents in the Complaints filed by the Complainants before the NLRC. [16]

A review of the compromise agreement shows a gross disparity between the amount offered by the Corporations compared to the judgment award. The judgment award is ₱3,453,664,710.86 or each employee is slated to receive ₱577,149.85. On the other hand, the ₱342,284,800.00 compromise is to be distributed among 5,984 employees which would translate to only ₱57,200.00 per employee. From this amount, ₱8,580.00 as attorney's fees will be deducted, leaving each employee with a measly ₱48,620.00. In fact, the compromised amount roughly comprises only 10% of the judgment award.

In our Decision, the appeal bond was set at ₱725 Million after taking into consideration the interests of all parties. To reiterate, the underlying purpose of the appeal bond is to ensure that the employer has properties on which he or she can execute upon in the event of a final, providential award. Thus, non-payment or woefully insufficient payment of the appeal bond by the employer frustrates these ends.[17] As a matter of fact, the appeal bond is valid and effective from the date of posting until the case is terminated or the award is satisfied.[18] Our Decision highlights the importance of an appeal bond such that said amount should be the base amount for negotiation between the parties. As it is, the ₱342,284,800.00 compromise is still measly compared to the ₱725 Million bond we set in this case, as it only accounts to approximately 50% of the reduced appeal bond.

In *Arellano v. Powertech Corporation*,[19] we voided the ₱150,000.00 compromise for the ₱2.5 Million judgment on appeal to the NLRC. We note that the compromise is a mere 6% of the contingent sum that may be received by petitioners and the minuscule amount is certainly questionable because it does not represent a true and fair amount which a reasonable agent may bargain for his principal.[20]

In *Mindoro Lumber and Hardware v. Bacay*,[21] we found that the private respondents' individual claims, ranging from ₱6,744.20 to

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16 *Rollo* (G.R. No. 180319, Vol. III), pp. 2691-2695.
17 *Computer Innovation Center v. NLRC*, 500 Phil. 573, 584 (2005).
18 *Lepanto Consolidated Mining Corporation v. Icao*, G.R. No. 196047, 15 January 2014.
19 566 Phil. 178 (2008).
20 Id. at 195.
21 498 Phil. 752 (2005).

₱242,626.90, are grossly disproportionate to what each of them actually received under the *Sama-samang Salaysay sa Pag-uurong ng Sakdal*. The amount of the settlement is indubitably unconscionable; hence, ineffective to bar the workers from claiming the full measure of their legal rights.[22]

The complainants filed a motion for reconsideration asking this Court to modify its Decision on the ground that the parties have entered into a compromise agreement. The complainants justified their acquiescence to the compromise on the possibility that it will take another decade before the case may be resolved and attained finality. We beg to disagree.

In our Decision, we have already directed the NLRC to act with dispatch in resolving the merits of the case upon receipt of the cash or surety bond in the amount of ₱725 Million within 10 days from receipt of the Decision. If indeed the parties want an immediate and expeditious resolution of the case, then the NLRC should be unhindered with technicalities to dispose of the case.

Accepting an outrageously low amount of consideration as compromise defeats the complainants' legitimate claim.

In *Unicane Workers Union-CLUP v. NLRC*,[23] we held the ₱100,000.00 amount in the quitclaim is unconscionable because the complainants had been awarded by the labor arbiter more than ₱2 million. It should have been aware that had petitioners pursued their case, they would have been assured of getting said amount, since, absent a perfected appeal, complainants were already entitled to said amount by virtue of a final judgment. We proceeded to state that:

> Not all quitclaims are *per se* invalid as against public policy. But, where there is clear proof that the waiver was wrangled from an unsuspecting or gullible person, or the terms of settlement are unconscionable on its face, then the law will step in to annul the questionable transaction.[24]

In fine, we will not hesitate to strike down a compromise agreement which is unconscionable and against public policy.

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22 Id. at 760.
23 330 Phil. 291 (1996).
24 Id. at 303 citing *Periquet v. NLRC*, 264 Phil. 1115, 1122 (1990).

WHEREFORE, the Court **DENIES** petitioners' Motion for Reconsideration and Motion for Leave of Court to File and Admit Herein Statement and Confession of Judgment; and the respondents' Partial Motion for Reconsideration for their lack of merit. The directive in the Decision dated 4 June 2014 to the National Labor Relations Commission to act with dispatch to resolve the merits of the case upon perfection of the appeal is hereby **REITERATED**.

SO ORDERED.

JOSE PORTUGAL PEREZ
Associate Justice

WE CONCUR:

ANTONIO T. CARPIO
Associate Justice
Chairperson

PRESBITERO J. VELASCO, JR.
Associate Justice

MARIANO C. DEL CASTILLO
Associate Justice

ESTELA M. PERLAS-BERNABE
Associate Justice

ATTESTATION

I attest that the conclusions in the above Resolution had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

ANTONIO T. CARPIO
Associate Justice
Chairperson

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, I certify that the conclusions in the above Resolution had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

MARIA LOURDES P. A. SERENO
Chief Justice