THIRD DIVISION

[G.R. No. 271784. January 13, 2026]

FOREVER MANPOWER SERVICES AGENCY, INC., ANN IMELDA FIDELINO,* NESMAT ALJABALIN RECRUITMENT,** AND ISSA IBRAHIM AL MUTAIRI,*** PETITIONERS, VS. HONORABLE COURT OF APPEALS (FORMER SEVENTH DIVISION) AND LARELYN PAULINO MILAGROSO, RESPONDENTS.

D E C I S I O N

INTING, J.:

Before the Court is a Petition for *Certiorari*[1] with Prayer for Writ of Prohibition, Preliminary Injunction, and/or Temporary Restraining Order[2] (Petition) filed under Rule 65 of the Rules of Court assailing the Decision[3] dated May 5, 2023, and the Resolution[4] dated December 4, 2023, of the Court of Appeals (CA) in CA-G.R. SP No. 176706. The CA granted the Petition for *Certiorari* filed by respondent Larelyn Paulino Milagroso (Milagroso); nullified and set aside the Decision[5] dated August 30, 2022, and the Resolution[6] dated October 18, 2022, of the National Labor Relations Commission (NLRC) in NLRC LAC No. 05-000259-22 (L); and reinstated the Decision[7] dated March 29, 2022, of the Labor Arbiter in NLRC Case No. NCR-(L)-11-000597-21.

The Antecedents

On October 10, 2017, Forever Manpower Services Agency, Inc. (Forever Manpower), in behalf of its foreign principal Nesmat Aljabalin Recruitment Office, executed a Standard Employment Contract (Contract) with Milagroso, for the latter's employment as a domestic worker by Issa Ibrahim Al Mutairi (Al Mutairi) in the Kingdom of Saudi Arabia (KSA).[8] The Contract duration was two years with a salary of USD 400 per month. Milagroso was deployed on February 8, 2018.[9]

On November 17, 2021, Milagroso filed with the Labor Arbiter (LA) a complaint for illegal dismissal, underpayment, payment of backwages and the unexpired portion of the Contract, moral and exemplary damages, and attorney's fees (subject complaint) against Forever Manpower, Nesmat Aljabalin Recruitment Office, Al Mutairi, and Ann

Imelda Fidelino (Fidelino) (collectively, petitioners).[10]

Milagroso averred that at the end of February and March 2018, she received USD 300 for her monthly salary instead of the USD 400 stipulated in the Contract. In May 2018, Al Mutairi no longer paid her salary supposedly because of business setbacks.[11] When Milagroso inquired with Al Mutairi about her salary, he promised to pay the sums due by the end of the Contract on February 9, 2020.[12]

On July 10, 2019, Milagroso was suddenly brought to the KSA airport and given a one-way ticket to the Philippines. Upon her arrival, she received PHP 20,000.00 from the Overseas Workers Welfare Administration (OWWA) as part of the "Balik Pinas" assistance.[13] Milagroso immediately requested the assistance of the OWWA, but allegedly, her request was unheeded.[14]

In 2020, Milagroso filed a complaint for illegal dismissal with the LA,[15] but it was dismissed without prejudice on June 21, 2021, because Milagroso failed to file her position paper.[16] Milagroso then refiled the subject complaint on November 17, 2021, with the LA.[17]

In response, petitioners denied any liability to Milagroso. They asserted that Milagroso failed to substantiate her allegation of non-payment of salary and abuse while she worked for Al Mutairi. They argued that if Milagroso was in fact maltreated and not paid her proper salaries, then she would have reported the same to Forever Manpower, yet she did not.[18] As to Fidelino, she asserted that as the President of Forever Manpower, she cannot be made personally accountable for the corporation's liabilities.[19]

The Ruling of the LA

In the Decision[20] dated March 29, 2022, the LA found petitioners liable to Milagroso for illegal dismissal, backwages, and salary differential, viz.:

> WHEREFORE, the foregoing considered, the complaint for illegal dismissal and monetary claims filed by Larelyn Paulino Milagroso against Forever Manpower Services, Inc., Nesmat Aljabalin Recruitment Office, Issa Ibrahim Al Mutairi, and Ann Imelda Fidelino on November 17, 2021 is hereby GRANTED.
>
> Accordingly, all respondents are declared jointly and severally liable to pay the complainant her backwages amount to [USD] 2,800; unpaid salary amounting to [USD]5,600; and salary differential amounting to [USD]300, or their equivalent in Philippine Currency based on the rate of exchange prevailing at the time of payment.
>
> All other claims are deemed dismissed for lack of merit.

> Parties and/or counsels are directed to submit a Manifestation acknowledging the receipt of this Decision within five (5) calendar days from receipt hereof
>
> SO ORDERED.[21]

The LA noted that Milagroso was repatriated before the end of the Contract's term; hence, petitioners bore the burden to prove that the Contract's termination and Milagroso's repatriation were voluntary, yet they failed to discharge this burden. Absent such evidence, Milagroso was deemed to have been illegally dismissed. The LA emphasized that Milagroso's act of filing the subject complaint was inconsistent with petitioners' theory of voluntary resignation.[22]

Anent Milagroso's claim for unpaid salaries, salary differentials, and the unexpired portion of the Contract, the LA stressed that it was petitioners, not Milagroso, who bore the burden to prove full payment of her salaries and benefits, which they failed to do. The LA thus granted the foregoing money claims in accordance with Section 10[23] of Republic Act No. 8042,[24] as amended by Republic Act No. 10022.[25] Based on the same provision of law, the LA found petitioners jointly and severally liable for the monetary award.[26]

As to Milagroso's claim for moral and exemplary damages and attorney's fees, the LA dismissed it for lack of basis.[27]

Aggrieved, petitioners appealed the LA Decision to the NLRC.

Proceedings before the NLRC

In their Memorandum of Appeal, petitioners asserted that after Milagroso returned to the Philippines in July 2019, she immediately sought the assistance of the OWWA for her money claims under the Contract.[28] The request was referred to conciliation-mediation before the Single Entry Approach Desk (SEAD), which docketed the case as SEAD-OWWA-OLS-HO-647-07-19.[29] In the Notice of Conference[30] dated July 18, 2019, SEAD Officer (SEADO) Ma. Victoria G. Demingoy (Demingoy) set the parties for conciliation conference on July 25, 2019.

According to petitioners, during the conference on July 25, 2019, Milagroso executed a Quitclaim and Release[31] (Quitclaim), an Affidavit of Quitclaim, Compromise and Waiver[32] (Affidavit of Quitclaim), and an acknowledgment document[33] (Acknowledgment) wherein she released Forever Manpower, its officers, its foreign principal, and her employer from any money claims under the Contract in exchange for PHP 40,000.00. Petitioners argued that the compromise on July 25, 2019, had the effect of a final and binding judgment that bars the re-litigation of the same issues.[34]

Petitioners incorporated into their Memorandum of Appeal a Motion to Reduce Appeal Bond to only PHP 100,000.00. Petitioners argued that because of the COVID-19 pandemic, they suffered financial losses and were unable to post a bond to the full amount of the LA's monetary award to Milagroso. In support of the Motion, petitioners submitted their Audited Financial Statements (AFS) and Income Tax Return (ITR) for 2021.[35]

In her Answer, Milagroso argued for the dismissal of petitioners' appeal for having been filed out of time. She further asserted that petitioners' Motion to Reduce Appeal Bond should be denied for lack of substantiation.[36]

In their Reply, petitioners asserted that their Memorandum of Appeal was timely filed on May 2, 2022. They explained that they received the LA Decision on April 21, 2022; hence, they had 10 days from notice or until May 1, 2022, within which to file the appeal. Considering that May 1, 2022, fell on a Sunday, they had until the next working day, or until May 2, 2022, within which to file the Memorandum of Appeal before the NLRC.[37] Petitioners further insisted that their appeal should be allowed because they paid the appeal fees and posted the appeal bond on May 4, 2022, the next working day after May 3, 2022, which was declared a special non-working day in observance of Eid'l Fitr.[38]

The Ruling of the NLRC

In the Decision[39] dated August 30, 2022, the NLRC granted petitioners' appeal, reversed and set aside the LA Decision, and dismissed Milagroso's complaint, viz.:

> WHEREFORE, premises considered, the Appeal of the [petitioners] is GRANTED. The *Decision* of Labor Arbiter Catherine Legados-Parado dated 29 March 2022 in NLRC Case No. NCR-(L)-11-00597-21 is hereby REVERSED and SET ASIDE and a new one is entered DISMISSING the Complaint of Complainant Larelyn P. Milagroso for having been barred by her execution of the *Quitclaim and Release* and the *Affidavit of Quitclaim, Compromise, and Waiver*, both dated July 25, 2019, in SEAD-OWWA-OLS-HO-647-07-19.
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> SO ORDERED.[40]

On the procedural issues, the NLRC determined that petitioners' Memorandum of Appeal was timely filed. It explained that petitioners had until May 1, 2022, or 10 days from receipt of the LA Decision on April 21, 2022, within which to file the appeal. Given that May 1, 2022, was a Sunday, petitioners had until May 2, 2022, the next working day, within which to file the Memorandum of Appeal.[41]

However, the NLRC noted that petitioners paid the appeal fees and posted the appeal bond only on May 4, 2022, beyond the reglementary period. Still, the NLRC allowed

the appeal on the ground of substantial compliance. It noted that the appeal fees were unpaid on May 2, 2022, only because it did not reach the 3:00 p.m. cutoff period for payment through bank transactions. Given that petitioners immediately endeavored to pay the appeal fees and post the appeal bond on the next working day, May 4, 2022, the NLRC concluded that there was basis to relax the rules of procedure.[42]

As to the Motion to Reduce Appeal Bond, the NLRC granted it and allowed petitioners to post an appeal bond at the reduced amount of PHP 100,000.00. It noted that based on the 2021 ITR and AFS of Forever Manpower, it suffered net losses in 2020 and 2021. Further, the amount of the appeal bond posted by petitioners was more than 10% of the monetary award to Milagroso.[43]

On the merits, the NLRC lent credence to petitioners' assertion that Milagroso's complaint was barred by the parties' compromise on July 25, 2019. It explained that the compromise was fully substantiated by petitioners, who presented copies of the minutes of the Single Entry Approach (SENA) conciliation conference, the Quitclaim, the Affidavit of Quitclaim, and the Acknowledgment, among others.[44] It further stressed that the Affidavit of Quitclaim was notarized by Atty. Judith Rowena P. Gamueda (Atty. Gamueda), who was the Supervising Administrative Officer of the Office of the Legal Staff of the OWWA. As such, the Affidavit was presumed regular and valid. It also emphasized that in her Answer, Milagroso did not specifically deny the compromise; hence, in accordance with Rule 8, Section 11[45] of the Rules of Court, which applies suppletorily to proceedings before the NLRC, Milagroso was deemed to have admitted the matter.[46]

The NLRC applied Article 227[47] of the Labor Code and Rule V, Section 3[48] of the Department of Labor and Employment (DOLE) Department Order No. 151-16 or the "Single-Entry Approach Implementing Rules and Regulations," which states that the parties' compromise before the SEADO shall be final, immediately executory, and binding on DOLE offices. It determined that the compromise was not contrary to law, morals, public order, and public policy. It thus concluded that the subject complaint before the LA was barred by the compromise in question.[49]

Milagroso filed a Motion for Reconsideration of the NLRC Decision.[50] She denied having signed the documents purporting to be a settlement of her claims.[51]

In the Resolution[52] dated October 18, 2022, the NLRC denied the Motion for having been filed out of time and for lack of merit.[53] The NLRC determined that the Motion was improperly filed through an unauthorized private courier, contrary to Rule III, Section 3[54] of the 2011 NLRC Rules of Procedure.[55]

Milagroso thus assailed the NLRC Decision and Resolution by filing a Rule 65 Petition for *Certiorari* with the CA. Milagroso argued that: (1) the LA Decision had become final and executory because petitioners failed to timely pay the appeal fees; (2)

petitioners improperly changed their theory on appeal, which deprived her of due process; and (3) petitioners fabricated the documents purporting to be a settlement of her claims.[56]

The Ruling of the CA

In the now-assailed Decision[57] dated May 5, 2023, the CA granted the Petition for *Certiorari*, nullified and set aside the NLRC Decision and Resolution, and reinstated the LA Decision, to wit:

> WHEREFORE, the petition for *certiorari* is GRANTED. The August 30, 2022 Decision and October 18, 2022 Resolution of the National Labor Relations Commission, Third Division, in NLRC LAC No. 05-000259-22 (L) are NULLIFIED and SET ASIDE. The March 29, 2022 Decision of Labor Arbiter Catherine Legados-Parado in NLRC Case No. NCR-(L)-11-00597-21 is REINSTATED.
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> SO ORDERED.[58]

On a matter of procedure, the CA noted that both parties committed procedural lapses —petitioners failed to timely pay the appeal fees and post the appeal bond in support of their Memorandum of Appeal, while Milagroso failed to timely file her Motion for Reconsideration of the NLRC Decision. Given that the NLRC resolved to liberally apply the rules in favor of petitioners, the CA noted that the same liberality must be extended to Milagroso in the interest of fairness.[59]

On the merits, the CA did not lend credence to petitioners' assertion that they entered into a compromise with Milagroso before the SEADO on July 25, 2019. It noted that the Minutes of the Conciliation Conference stated that the offer from Forever Manpower was PHP 40,000.00 and in response, Milagroso said that she will think it over; hence, the SEADO set another conference on August 7, 2019. Given the circumstances, the CA concluded that the quitclaim signed by Milagroso should not be considered.[60]

Even if there was a settlement between the parties, the CA explained that it may be disregarded if it is contrary to law, public order, public policy, and morals, or if the consideration is incredible and unreasonable. The CA stressed that the LA's total monetary award to Milagroso was in the sum of USD 8,700.00, yet in the quitclaim, Milagroso received a measly sum of PHP 40,000.00 only. The CA thus refused to sustain the validity of the parties' compromise. Absent a valid settlement between the parties, the CA held that the LA Decision must be reinstated.[61]

Petitioners filed a Motion for Reconsideration of the CA Decision,[62] but the CA denied it in the now-assailed Resolution[63] dated December 4, 2023.

Thus, the present Petition.[64]

Petitioners' Arguments

Petitioners aver that the present Petition is a proper remedy from the CA rulings because the CA acted with grave abuse of discretion in taking cognizance of Milagroso's petition for *certiorari* despite the parties' compromise agreement that was executed before the SEADO on July 25, 2019.[65] Further, a motion for reconsideration is a condition *sine qua non* in filing a petition for *certiorari*. Given that Milagroso failed to timely file a motion for reconsideration of the NLRC Decision, the CA acted with grave abuse of discretion in granting the petition for *certiorari*.[66]

Petitioners also contend that the issues raised by Milagroso are barred by the parties' compromise agreement. Citing Article 227[67] of the Labor Code, Section 10[68] of DOLE Department Order No. 107, Series of 2010, and Rule V, Section 3 of DOLE Department Order No. 151, Series of 2016, they assert that the quitclaims executed by Milagroso are final and binding not only on the parties thereto but also on all DOLE offices and attached agencies.[69]

Petitioners fault the CA in disregarding the quitclaims executed by Milagroso based solely on the Minutes of the Conciliation Conference dated July 25, 2019, wherein the SEADO set another conference between the parties. They contend that there is nothing unusual in a situation where the parties, after a scheduled conference where no amicable settlement was reached, immediately conversed outside of the SEADO's premises and thereafter mutually agreed to return to the SEADO on the same day, without awaiting the next scheduled conference, to enter into a compromise agreement, as what happened in the case.[70]

As to the reasonableness of the amount of the compromise, petitioners aver that during the conference before the SEADO, Milagroso demanded only the amount of PHP 125,000.00. They point out that the sum of PHP 40,000.00 is reasonable when related to Milagroso's demand at the time of the SENA conference. To petitioners, the sum that was ultimately awarded by the LA to Milagroso is immaterial because the reasonableness of the consideration must be measured against the employee's demand during the SENA conference.[71]

On the matter of illegal dismissal, petitioners argue that Milagroso bore the burden to prove the fact of dismissal. They insist that Milagroso did not present any evidence of illegal dismissal; hence, her complaint should not have been granted.[72]

Respondent's Arguments

In her Comment,[73] Milagroso argues that the present Petition must be dismissed for being a wrong remedy against the CA rulings. She asserts that the proper mode of appeal is through a Rule 45 petition for review on *certiorari* and not a Rule 65 petition

for *certiorari*. She avers that the present Petition cannot function as a substitute for the remedy of appeal that petitioners already lost, given that they filed the present Petition beyond the 15-day reglementary period to appeal.[74]

The Issues

The issues before the Court are: (1) whether petitioners availed of the correct remedy against the CA Decision and Resolution; and (2) whether the CA committed grave abuse of discretion in: (i) disregarding the Quitclaim, Affidavit of Quitclaim, and Acknowledgment (collectively, Compromise Documents) based on the Minutes of Conciliation Conference; and (ii) holding that the Compromise Documents should be set aside because the consideration therefor was unreasonable.

The Ruling of the Court

The Petition is granted. The CA acted without jurisdiction and with grave abuse of discretion in issuing a writ of *certiorari* against the NLRC Decision and Resolution.

I. Petitioners availed of the wrong remedy against the CA rulings, but the procedural rules may be relaxed due to the serious jurisdictional issues involved in the case.

Petitioners availed of the wrong remedy against the CA Decision and Resolution. Even if the Petition alleges grave abuse of discretion and jurisdictional errors on the part of the CA, it is elementary that under Rule 45 of the Rules of Court, "the CA's decisions, final orders or resolutions, *regardless of the nature of the action or proceedings involved*, may be *appealed* to this Court through a petition for review."[75]

Rule 65, Section 1[76] is clear: a petition for *certiorari* is available only when there is no appeal or plain, speedy and adequate remedy in the ordinary course of law. Thus, the availability of an appeal by *certiorari* under Rule 45 *proscribes* the filing of a Rule 65 petition for *certiorari*.[77] Stated otherwise, when the remedy of appeal is available, *certiorari* will *not* lie even if the petition alleges grave abuse of discretion on the part of the CA.[78] After the lapse of the reglementary period to file a Rule 45 petition for review on *certiorari*, a Rule 65 petition for *certiorari* cannot serve as a substitute for the lost remedy of appeal.[79]

Still, the foregoing rule admits of exceptions. Jurisprudence teaches that the Court may allow the filing of a Rule 65 petition for *certiorari* despite the availability of the remedy of appeal in the following instances: (1) *when public welfare and the*

advancement of public policy dictate; (2) when the broader interests of justice so requires; (3) *when the writs issued are null and void*; or (4) when the questioned order amounts to an oppressive exercise of judicial authority.[80] In accordance with Rule 1, Section 6 of the Rules of Court, the Rules "shall be liberally construed in order to promote their objective of securing a just, speedy and inexpensive disposition of every action and proceeding." Hence, the rules of procedure may be relaxed when a case is *impressed with merit* and their strict application will *override* rather than promote justice.[81]

The Court finds that the present case falls within the *first* and *third* exceptions that authorize the relaxation of the rules of procedure. As further discussed below, the CA Decision and Resolution are contrary to the State's basic policy in favor of collective bargaining, voluntary arbitration, mediation, and conciliation as modes of settling labor disputes.[82] The writ of *certiorari* issued by the CA against the NLRC rulings also appears to be null and void for having been rendered in violation of Article 233[83] of the Labor Code and the pertinent DOLE regulations.

Importantly, in several cases,[84] the Court resolved to take cognizance of a Rule 65 petition even if the proper remedy was a Rule 45 appeal because the petition was impressed with merit and the petitioner has convincingly shown that the assailed rulings were rendered without jurisdiction or with grave abuse of discretion. Thus, in *Martillano v. Court of Appeals*,[85] the Court resolved to relax the procedural rules because the tribunal concerned essentially reopened or relitigated settled issues that have been previously decided with finality.

Like in *Martillano*, the Petition demonstrates that the CA relitigated issues that were supposed to have been resolved with finality through the parties' compromise on July 25, 2019. Given that the Petition is impressed with merit and has convincingly shown that the subject writ of *certiorari* was issued by the CA without jurisdiction or with grave abuse of discretion, the Court finds it proper to relax the rules of procedure and to resolve the case on the merits.

II. The CA acted without jurisdiction or with grave abuse of discretion in rendering the assailed Decision and Resolution.

The crux of the present controversy revolves around the compromise that the parties supposedly executed before the SEADO on July 25, 2019. Petitioners assert that the compromise had the effect of a final judgment that prohibits the courts and DOLE agencies from assuming jurisdiction over the issues involved therein. However, the CA disregarded the subject quitclaims executed by Milagroso supposedly because the Minutes of the Conciliation Conference dated July 25, 2019, indicate that no such

compromise was executed on that day; further, the consideration for the compromise was unreasonable.

After a careful review of the records, the Court finds merit in petitioners' argument that the CA acted without jurisdiction or with grave abuse of discretion in issuing a writ of *certiorari* against the NLRC rulings.

Grave abuse of discretion refers to: (1) palpable errors of jurisdiction; (2) violation of the Constitution, the law, jurisprudence, or basic and established rules of procedure; and (3) gross misapprehension of facts.[86] There is also grave abuse of discretion when the court or tribunal concerned ignores the evidence adduced by the parties,[87] or disregards a party's admissions on record that contradict said party's claims.[88]

In the case, the CA properly re-examined the facts and re-assessed the evidence because the factual findings of the LA and the NLRC were contradictory.[89] However, it acted with grave abuse of discretion in refusing to consider the parties' compromise agreement despite the evidence on record and Milagroso's admissions on the matter. It also acted without jurisdiction in taking cognizance of Milagroso's petition for *certiorari* despite the clear wording of Article 233 of the Labor Code.

A. The subject compromise agreement was adequately proven by petitioners

Preliminarily, it must be pointed out that the subject compromise agreement was not mentioned at all during the proceedings before the LA; rather, petitioners submitted the documents related to the compromise only on appeal before the NLRC. In this regard, the Court has repeatedly held that technical rules of procedure are not binding in administrative proceedings before the LA and the NLRC; hence, a party is allowed to submit new or additional evidence for the first time on appeal with the NLRC, provided that: (1) the offeror should adequately explain any delay in the submission of evidence; and (2) the party concerned should sufficiently prove the allegations sought to be proven.[90]

Petitioners complied with both requisites. *For one*, they explained in the Petition that because of the onslaught of the COVID-19 pandemic, their personnel were prevented from going to their offices, while several of the documents related to the case may have been lost or misplaced; thus, petitioners faced difficulties in securing the evidence pertinent to their defense.[91] *For another*, petitioners were able to sufficiently prove the subject compromise agreement through the documents that they submitted to the NLRC.

Verily, as pointed out by the NLRC, the parties' compromise before the SEADO was

sufficiently proven by the Quitclaim[92] and the Affidavit of Quitclaim[93] both dated July 25, 2019, and signed by Milagroso. In addition, petitioners submitted the Acknowledgment[94] dated July 25, 2019, that was also signed by Milagroso. In all three documents, Milagroso mentioned that she agreed to release and discharge her employer as well as Forever Manpower and its officers from any money claims in connection with her employment contract in exchange for PHP 40,000.00.

The Affidavit of Quitclaim specifically states that the payment of PHP 40,000.00 shall constitute the "complete, absolute and final settlement and final release of [Milagroso's] Recruitment/Manning agency and their employees, *officers*, stockholders *and foreign employer and principal*." In the same document, Milagroso undertook "not to file any complaint/case of whatever nature, criminal, civil, administrative or otherwise against said agency, their principal, agent, and [her] employer including the officers and employees/staff of the said agencies, insurance company at the [NLRC], Philippine Overseas Employment Agency (POEA), Insurance Commission and other judicial and quasi-judicial bodies."

Notably, the Quitclaim and Affidavit of Quitclaim were both executed in connection with SENA Reference No. OWWA-OLS-HO-647-07-19, the same docket number of Milagroso's request for assistance that she filed with the OWWA against Forever Manpower for unpaid salary under the Contract, i.e., SEAD-OWWA-OLS-HO-647-07-19.[95] The NLRC thus correctly concluded that the issues settled in the subject compromise agreement pertained to the very same issues that Milagroso raised in the subject complaint with the LA.

Notwithstanding the foregoing documents, the CA concluded that the compromise agreement between the parties should not be believed because the Minutes of the Conciliation Conference[96] dated July 25, 2019, did not state that the parties agreed to amicably settle. Instead, it only mentioned that during the July 25, 2019 conciliation conference: (1) the parties appeared before SEADO Demingoy; (2) Forever Manpower offered PHP 40,000.00; and (3) in response, Milagroso stated that she will think about the offer:

> Both parties appeared & they discussed the problem. OFW [Milagroso] relayed she worked for 1 [year] and [5 months]; she was given the option to go home. She was maltreated because she refused to work [with] another household. She is claiming 2 [months] [unpaid] & 7 [months] unexpired or in the [amount] of [PHP] 125,000.00 & the offer is [PHP] 40,000.00 to which OFW will think it over. She wants the payment for her lost belongings. Parties to meet again on Aug. 7, 2019 at 3:00 p.m.[97]

The Court finds that the CA gravely abused its discretion in refusing to consider the parties' compromise agreement. The CA's conclusion was reached m disregard of the evidence on record and the admissions of the parties.

First, the NLRC aptly explained that the Quitclaim and Affidavit of Quitclaim are both

notarized documents. As such, the documents are not only presumed to be authentic and to have been duly executed,[98] they are also entitled to full faith and credit on their face.[99] Clear and convincing evidence must be presented to overcome the foregoing legal presumption,[100] which Milagroso failed to adduce.

Second, as noted by the NLRC, in her Answer, Milagroso did *not* raise any issue as to the genuineness and due execution of the Compromise Documents. Instead, she filed her Answer before the NLRC based *solely* on the argument that petitioners' Memorandum of Appeal was filed out of time and without posting the proper appeal bond.[101] Considering the seriousness of petitioners' allegations that the parties had earlier entered into the subject compromise agreement, Milagroso's silence thereon could be deemed an implied admission of the compromise.[102] Hence, the NLRC cannot be faulted for considering the Compromise Documents on appeal.

Third, the veracity of the parties' compromise is further proven by the fact that Milagroso herself submitted to the NLRC a copy of the very same Notice of Conference[103] that petitioners attached to their Memorandum of Appeal.[104] The Notice was presented in support of Milagroso's contention that she previously requested the assistance of the OWWA for her unpaid salaries and the unauthorized deductions therefrom, but her request was supposedly unheeded.[105] In the Notice, Milagroso's request for assistance with the OWWA was docketed by the SEADO as SEAD-OWWA-OLS-HO-647-07-19, the very same docket number that was indicated in the Compromise Documents. Evidently, the parties' compromise covered the very same matters that Milagroso raised in the subject complaint with the LA.

That the Minutes of Conciliation Conference did not mention the parties' compromise agreement is of no moment. The Minutes simply demonstrate that when the parties first appeared before the SEADO, they did not agree to amicably settle then and there. Still, nothing prevented the parties from immediately discussing the matter after the scheduled conference and then returning to the SEADO on the very same day to enter into an amicable settlement with the assistance of the SEADO. Considering that the parties were already physically present and were in a position to meet face-to-face, it would not be unusual for them to discuss their dispute right after a scheduled conciliation conference, while still within or near the premises of the government agency concerned.

In fact, Rule VI, Section 5 of DOLE Department Order No. 249, S. 2025 expressly recognizes the authority of the SEADO to approve *walk-in settlements*, wherein the SEADO concerned must ascertain the voluntariness, fairness, veracity, and enforceability of the terms and conditions of the settlement agreement, and ensure that its terms are not contrary to law, morals, and public policy and are fully understood by the parties:

> SECTION 5. *Walk-in Settlements*. — When the parties reach a settlement agreement by themselves, they may submit such agreement to the SEADO for confirmation and attestation.

> For this purpose, the SEADO shall convene a conference for the parties to personally appear and attest to the authenticity and due execution of the settlement agreement. The SEADO shall perform due diligence to ascertain the voluntariness, fairness, veracity, and enforceability of the terms and conditions of the settlement agreement, to ensure that the terms thereof are fully understood by the parties, and to ensure that such terms are not contrary to law, morals or public policy.
>
> A settlement agreement confirmed by the SEADO shall be final and executory and shall have the same effect as a settlement agreement arrived at through conciliation-mediation.

The Court finds it proper to emphasize that: (1) the Quitclaim was notarized by SEADO Demingoy, the desk officer in-charge of Milagroso's request for assistance before the OWWA that was docketed as SEAD-OWWA-OLS-HO-647-07-19; (2) the Affidavit of Quitclaim was notarized by Atty. Gamueda, the Supervising Administrative Officer of the OWWA's Office of the Legal Staff; and (3) the Acknowledgment was noted and signed by SEADO Demingoy. The signatures of the foregoing public officers appearing in the Compromise Documents confirm that the parties' compromise agreement were reached with the assistance of the SEADO. Thus, at most, the Minutes simply omitted to mention *all* the incidents that transpired before the SEADO on July 25, 2019; it does not stand as clear and convincing proof that the compromise documents were not executed or are merely fictitious.

Besides, if indeed no compromise was reached before the SEADO on July 25, 2019, then the parties should have proceeded to continue their discussion on the next scheduled conference, i.e., on August 7, 2019. However, Milagroso failed to present any proof that the second conference was held, or that the attempts towards amicable settlement failed and the case thereafter referred by the SEADO to the LA pursuant to Rule IV, Sections 6 to 8[106] of DOLE Department Order No. 151, S. of 2016. Instead, the records support the existence and execution of the Compromise Documents and full payment of the amount due thereunder, which caused the termination of the SENA proceedings in accordance with Rule IV, Section 5[107] of the same DOLE Department Order.

B. The CA violated Article 233 of the Labor Code when it issued a writ of *certiorari* against the NLRC rulings

Significantly, the parties' compromise agreement was reached following Article 228 (now Article 234) of the Labor Code, as amended by Republic Act No. 10396,[108] which requires the parties involved in issues arising from labor and employment to undergo conciliation-mediation proceedings:

> ART. 234. [228] Mandatory Conciliation and Endorsement of Cases. – (a) Except as provided in Title VII-A, Book V of this Code, as amended, or as may be excepted by the Secretary of Labor and Employment, *all issues arising from labor and employment shall be subject to mandatory conciliation-mediation*. The labor arbiter or the appropriate DOLE agency or office that has jurisdiction over the dispute shall entertain only endorsed or referred cases by the duly authorized officer. [Emphasis supplied]

To implement the law, the DOLE promulgated Department Order No. 151, S. 2016, which mandates the conduct of conciliation-mediation through the SEAD in the Regional Branch of the National Conciliation and Mediation Board (NCMB), the Regional Arbitration Branch of the NLRC, or the appropriate regional offices of the DOLE.[109]

In this regard, Article 227 (now Article 233) of the Labor Code provides for the final and binding effect of compromise agreements that are voluntarily agreed upon by the parties with the assistance of the Bureau of Labor Relations, now the NCMB,[110] or the DOLE's regional offices. It also limits the jurisdiction of the NLRC and the courts over the issues that were the subject of such compromise:

> ART. 233. [227] Compromise Agreements. – Any compromise settlement, including those involving labor standard laws, voluntarily agreed upon by the parties with the assistance of the Bureau [NCMB] 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 non-compliance thereof or if there is *prima facie* evidence that the settlement was obtained through fraud, misrepresentation, or coercion.

Rule V, Section 3 of the DOLE Department Order No. 151, S. of 2016 echoes Article 233 of the Labor Code and provides for the final and binding effect of settlement agreements that were agreed upon by the parties before the SEADO:

> SECTION 3. Effect of Settlement Agreement. — Settlement agreement reached by the parties before the SEADO shall be final and immediately executory. It shall be binding on all DOLE offices and attached agencies except when the settlement agreement is established to be contrary to law, morals, public order and public policy.
>
> No retaliatory action shall be undertaken by both parties against each other.

Based on the foregoing provisions of law and regulation, a compromise agreement that is voluntarily agreed upon by the parties with the assistance of the SEADO, in connection with the latter's power to conduct conciliation-mediation proceedings under Article 234 of the Labor Code, is *final and binding* not only on the parties but also on the NLRC and the courts. Thus, as a rule, the NLRC and the courts are *prohibited* from assuming *jurisdiction* over any of the labor disputes or issues that were voluntarily settled by the parties in their compromise agreement, *except*: *(1)* in case of non-

compliance with the terms and conditions of the settlement; or *(2)* if there is *prima facie* evidence that the settlement was obtained through fraud, misrepresentation, or coercion.

For Article 233 of the Labor Code to apply, it is a *basic requirement* that the settlement was reached by the parties *with the assistance* of the NCMB or the appropriate office of the DOLE, including the SEADO.[111] The mere fact of "filing" a compromise agreement together with a motion to dismiss a complaint by only one of the parties is not the "assistance" contemplated by law.[112] Rather, pursuant to Rule IV, Section 3 and Rule V, Section 1 of the DOLE Department Order No. 151, S. 2016, the SEADO must assist the parties in amicably settling their dispute by clarifying the extant issues, validating the parties' positions, informing the parties of the legal consequences of their agreement to compromise, and ensuring that the settlement is fair and reasonable and is *not* contrary to law, morals, and public policy, among others:

> [Rule IV] SECTION 3. *Conciliation-Mediation Process*. — The SEADO, in the conduct of conciliation-mediation, shall:
>
> a) *Clarify the issues, validate positions and determine the underlying issues*;
> b) Narrow down the disagreements and broaden areas for settlement;
> c) Encourage parties to generate options and enter into stipulations;
> d) Offer proposals and options toward mutually acceptable solutions and voluntary settlement;
> e) *Prepare the settlement agreement in consultation with the parties*; and
>
> . . . .
>
> [Rule V] SECTION 1. *Preparation of Settlement Agreement*. — In the preparation of agreement, the SEADO shall:
>
> a) Make use of the language or dialect clearly understood by the parties; and
> b) *Inform the parties of the consequences of the acceptance of the settlement amount despite having knowledge of his/her rightful claims shall mean the absence of fraud, violence or coercion and voluntariness of the settlement agreement.*
>
> The agreement shall be reduced in writing using the *SEnA Settlement Agreement Form*, signed by both parties and attested by the SEADO. It shall indicate the parties' voluntary agreement and acceptance of the amount as full/partial settlement, in the case of the latter, it shall include the schedule of payments.
>
> *Agreement on monetary claims arising from violations of labor standards shall be fair and reasonable, and not contrary to law, public morals and public policy.* The fairness/reasonableness of settlement agreements shall depend on the totality of the circumstances, the degree of voluntariness and credibility of the consideration. (Emphasis supplied)

As previously discussed, the Compromise Documents were executed by the parties before the SEADO, given that they bore the signatures of SEADO Demingoy and Atty. Gamueda. In the Quitclaim,[113] Milagroso was even categorical in her statement that it was executed "as part of the settlement agreement reached in the conciliation-mediation process conducted in the OWWA-Office of the Legal Staff."

The records further disclose that SEADO Demingoy apprised Milagroso of her entitlements under the pertinent laws yet despite the same, Milagroso, voluntarily and without force or duress, chose to enter into the subject settlement with petitioners. As stated in the Acknowledgment:

> Subalit sa kabila ng aking mga hinihiling na nakasaad sa itaas ako ay pumapayag na makipag-ayos sa aking agency sa halagang [PHP] 40,000 *kahit na ako ay binabalaan ng aking SENA DESK OFFICER MA. VICTORIA G. DEMINGOY tungkol sa aking mga karapatan na dapat talagang makuha sa aking employer/agency*.
>
> *Na ako ay napaliwanagan sa mga bagay na ito ngunit pinili ko pa ring umareglo sa aking agency* sa halagang Forty Thousand Pesos at *walang namilit o nagbanta sa akin tungkol sa mga bagay na ito at kusa ko itong desisyon*.
>
> (sgd.)
> Larelyn
> Milagroso[114]

Evidently, the Compromise Documents were executed before and with the assistance of SEADO Demingoy. Given the situation, it may be reasonably presumed that SEADO Demingoy regularly performed her duties under DOLE Department Order No. 151, S. 2016,[115] handled the conciliation-mediation proceedings with an even hand, and saw to it that both parties obtained a fair deal out of the settlement.[116] As such, Article 233 of the Labor Code applies to the present case—the NLRC and the courts may *not* assume jurisdiction over the dispute concerning the unpaid salaries, salary differentials, and the unexpired portion of the Contract that the parties opted to voluntarily settle through the Compromise Documents, unless: (1) there is non-compliance with the terms of the settlement; or (2) there is *prima facie* evidence that the settlement was obtained through fraud, coercion, or misrepresentation.

None of the foregoing exceptions were sufficiently established by Milagroso. As such, and in accordance with Article 233 of the Labor Code, the NLRC and the courts lack jurisdiction over the matters that have already been settled with finality through the Compromise Documents.

Certainly, there is nothing in the record showing that petitioners failed to comply with their obligation under the Compromise Documents. To the contrary, the Acknowledgment[117] bore a handwritten annotation *signed* by Milagroso, in which she

categorically acknowledged receipt of the full amount of PHP 40,000.00 from Forever Manpower:

> [N]atanggap at nabilang ko ng (*sic*) tama ang halagang [PHP] 40,000 at wala na akong reklamo sa Forever Manpower Agency.
>
> Signed:
>
> (sgd.)
> Larelyn Milagroso[118]

The Affidavit of Quitclaim[119] similarly states:

> 3. For and in consideration of the amount of Forty Thousand Pesos (PHP 40,000) in cash receipt of which I hereby and duly acknowledge as full compensation/settlement of my unpaid salaries, salary differentials, salary deductions, including refund of ticket from abroad and claim for domestic fares, retrieval of passport and documents, medical/disability benefits, financial assistance, year-end incentive, insurance benefits under mandatory insurance (RA 10022), unexpired portion of the contract, damages and other benefits under the Philippine and Host country laws to which I am entitled under whatever reason/s.[120]

Further, there is no *prima facie* evidence that the compromise agreement was obtained through fraud, misrepresentation, or coercion. "*Fraud*" is deemed to comprise anything that is calculated to deceive; it embraces acts, omissions, concealments, and "all multifarious means that human ingenuity can device, and is resorted to for the purpose of securing an advantage over another by false suggestions or by suppression of truth."[121] Meanwhile, "*misrepresentation*," as a ground to avoid a contract, refers to an intentional false statement of a substantive fact that is "material to the contract and influential in producing it."[122] As to "*coercion*," it refers to the "improper use of power to compel another to submit to the wishes of one who wields it"[123] and is synonymous to "compulsion, constraint, [or] a compelling by force or arms or threat."[124]

In the case, Milagroso did not allege, much less prove, that she was merely forced or tricked into executing or signing the Compromise Documents through force, duress, deception, concealment, or false representations on the part of petitioners. Indeed, both in her Answer to petitioners' Memorandum on Appeal and in her Comment on the present Petition, Milagroso solely raised technical or procedural errors against petitioners and did not address the merits of petitioners' defense.

Even more, as shown above, Milagroso unequivocally stated in the Acknowledgment that she entered into an amicable settlement with petitioners voluntarily and without force or duress. Similarly, the Quitclaim[125] states that Milagroso executed it "freely and voluntarily before [the SEADO] without force or duress," while the Affidavit of

Quitclaim[126] declares that Milagroso signed it "freely and willingly without any duress, force or intimidation and with full knowledge of [her] rights under the law."

To be sure, the law presumes that a person takes ordinary care of their concerns and intends the ordinary consequences of their voluntary acts.[127] Thus, when a person voluntarily affixes their signature on a document, they are presumed to have read it and informed themselves of its contents, significance, and consequences.[128] The parties' signature in an agreement not only serves as evidence of their consent thereto,[129] it is also an acknowledgment of their obligations written in the document.[130] Clearly, having signed the Compromise Documents, Milagroso is presumed to have read and understood their contents, and that she consented to their terms.

At most, Milagroso merely alleged in her Motion for Reconsideration before the NLRC and in her petition for *certiorari* with the CA that the Compromise Documents were *fabricated*. However, it is beyond cavil that mere allegation is not equivalent to proof or evidence.[131] Such bare allegations without supporting evidence are insufficient to establish a *prima facie* case of fraud or falsification.[132] Certainly, forgery is not presumed but must be proven with clear and convincing evidence,[133] which Milagroso did not adduce.

Contrary to Milagroso's assertions, as discussed by the NLRC, the Compromise Documents may be relied upon because they were executed in connection with SEAD-OWWA-OLS-HO-647-07-19; the existence of this case was *admitted* by Milagroso. Moreover, the Quitclaim and Affidavit of Quitclaim, being notarized documents, are presumed to have been duly executed and deserve full faith and credit in the absence of contrary evidence.

In addition, a perusal of the Minutes of the Conciliation Conference, Quitclaim, Affidavit of Quitclaim, and Acknowledgment all indicate that the signatures of Milagroso and SEADO Demingoy appearing thereon are *uniform* or *similar* and bear no striking differences. It is simply incredible that petitioners would successfully forge not only the signature of Milagroso but also of SEADO Demingoy in at least three separate documents. Plainly, there are no tell-tale signs of falsification, i.e., glaring dissimilarities in the signatures appearing on the Compromise Documents,[134] that may be considered as *prima facie* evidence of fraud.

Yet, instead of properly assessing whether Milagroso's Complaint before the LA and the petition for *certiorari* adequately complied with the requirements in Article 233 of the Labor Code, the CA simply acted upon Milagroso's petition for *certiorari* without first applying the foregoing provision of law. This is grave abuse of discretion.

To be clear, under Article 233 of the Labor Code, non-compliance with the terms of the settlement or the existence of *prima facie* evidence that the settlement was obtained through fraud, misrepresentation, or coercion, are *jurisdictional* requirements. Consequently, complaints or petitions that attempt to relitigate or reopen issues that

have already been settled by the parties through compromise with the assistance of the proper labor office must be *dismissed outright* if they are *not* based on non-compliance with the settlement terms, or avoidance based on fraud, misrepresentation, or coercion.

Moreover, because fraud is never presumed, intentional acts to deceive and deprive another of their right or in some manner injure them must be *specifically* alleged and proved.[135] It was therefore incumbent upon Milagroso, in her complaint before the LA or at the very least, in her Answer to petitioners' Memorandum of Appeal, to sufficiently allege and substantiate the jurisdictional grounds set forth in Article 233 of the Labor Code.[136] Absent such, the Compromise Documents are binding and operate as *res judicata* between the parties;[137] neither the NLRC nor the courts may disregard the parties' settlement without committing grave abuse of discretion.

Here, before the CA could even assess whether the consideration for the Compromise Documents was incredible or unreasonable, it first had to determine whether it had jurisdiction to act on the issues raised in the petition for *certiorari*. Verily, it is incumbent upon a court to inquire into and determine its own jurisdiction over each case,[138] given that "jurisdiction is conferred by law, and lack of it affects the very authority of the court to take cognizance of and to render judgment on the action."[139] In refusing to perform its duty to ascertain the limits of its jurisdiction and disregarding the clear provision of Article 233 of the Labor Code, the CA acted without jurisdiction.

Notably, in issuing a writ of *certiorari* against the NLRC rulings, the CA relied on *Aguilera v. Coca-Cola FEMSA Philippines, Inc.*,[140] in which the Court enumerated the following instances where a quitclaim or waiver cannot preclude a dismissed employee from questioning the validity of their dismissal: (1) if the employer used fraud or deceit in obtaining the waivers; (2) if the consideration the employer paid is incredible and unreasonable; or (3) if the terms of the waiver are contrary to law, public order, public policy, morals, or good customs or prejudicial to a third person with a right recognized by law.

The afore-mentioned grounds in *Aguilera* have indeed been cited by the Court as basis to disregard an employee's quitclaim or waiver. However, the factual circumstances in *Aguilera* manifestly differ from the case before the Court. Unlike the present case where the Compromise Documents were executed by the parties with the assistance of the SEADO, the compromise agreements, waivers, or quitclaims in *Aguilera* and its precedents[141] were executed by the employee *without* the assistance of the Bureau of Labor Relations, the NCMB, or the appropriate DOLE agency or office.

The doctrine espoused in *Aguilera* is founded on the principle that employees stand on *unequal* footing with their employers and are usually left at the latter's mercy.[142] The doctrine "serves to equalize the unequal,"[143] and presupposes that the labor force is weak and must be protected.[144] The law thus looks with suspicion on quitclaims and waivers executed solely between the employee and the employer, *without* government intervention, as the imbalance in the power relations between the two could heavily tilt

the settlement terms in favor of the employer and against the employee. Consequently, when a compromise or quitclaim is executed *without* the assistance of the appropriate labor office, it is the *employer* who bears the burden "to prove that the quitclaim constitutes a credible and reasonable settlement of what an employee is entitled to recover, and that the one accomplishing it has done so voluntarily and with a full understanding of its import."[145]

However, in compromise agreements that were reached *with the assistance* of the appropriate labor office, the law has already stepped in to equalize the relations between management and the labor force. In such a case, the law presumes that the public officer in charge of the matter regularly performed their official duties,[146] ensured that the employees' rights were protected, and that from the totality of the circumstances and the respective claims and positions of the parties, both received a fair deal out of the settlement.[147] Thus, Article 233 of the Labor Code *shifts* to the party assailing the settlement the burden to prove that the compromise agreement must be set aside because of fraud, misrepresentation, coercion, or non-compliance therewith, and that the labor dispute covered thereby may still be adjudicated by the NLRC or the courts.[148]

As applied to the present case, the SEADO was precisely tasked to ensure that the terms and conditions of the parties' settlement are fair, reasonable, and are not contrary to law, morals, public policy, and public order. Milagroso's money claims under the Contract were thus settled with finality through the Compromise Documents. Pursuant to Article 233 of the Labor Code, the NLRC and the courts may assume jurisdiction over the very same money claims only when there is non-compliance with the settlement terms *or* when the agreement was obtained through fraud, coercion, or misrepresentation. Considering that Milagroso did not allege, much less substantiate, these jurisdictional requirements in Article 233, then the subject complaint should be dismissed outright for lack of jurisdiction.

Even more, the minutes[149] of the conciliation-mediation before the SEADO on July 25, 2019, indicate that the money claims of Milagroso at that time was only PHP 125,000.00, representing her 2 months unpaid salary and the seven months unexpired portion of the Contract.[150] This sum of money that Milagroso claimed against petitioners is in stark contrast to the USD 8,700.00 that the LA awarded to her.

Significantly, in *Periquet v. National Labor Relations Commission*,[151] the employee therein asserted money claims against her employer after she had earlier executed two quitclaims concerning the same matter. The Court noted that when the quitclaims were executed, the employee was claiming only three years of backwages, yet in her subsequent suit against her employer, her money claims surprisingly ballooned to nine years of backwages allegedly because she was illegally dismissed nine years ago.

The Court emphasized in *Periquet* that the employee conveniently omitted to mention the two quitclaims that she executed, which cast doubt on her candor and *bona fides*.

Her money claims against her employer after the execution of the quitclaims were thus deemed barred by compromise. In effect, because the employee acted with bad faith, the reasonableness of the consideration for the quitclaims was measured against the employee's claims *at the time of the compromise*.

Similar to *Periquet*, Milagroso did not at all mention the Compromise Documents that she had earlier executed in favor of petitioners on July 25, 2019. There is no question that the money claims subject of the Compromise Documents are the very same money claims under the Contract that Milagroso included in her complaint before the LA—both pertain to unpaid wages, salary differentials, and the unexpired portion of the Contract.

It is therefore highly questionable for Milagroso to completely omit any discussion on the Compromise Documents in the subject complaint and in her Answer, especially after she was confronted with them during the proceedings before the NLRC. Milagroso's omission of the Compromise Documents is especially suspicious as their execution would have barred her from relitigating the very same money claims that she agreed to amicably settle.

It is equally important to point out that Milagroso waited for about two years after the execution of the Compromise Documents before filing a complaint with the LA.[152] If Milagroso sincerely believed in the merits of her cause and that she was merely tricked into signing the Compromise Documents, then she would have immediately denounced them at the earliest opportunity and pursued the ultimate resolution of her money claims,[153] yet she did not.

Given the circumstances, the Court cannot but doubt Milagroso's *bona fides* in subsequently asserting that she suffered not only 2 months unpaid salary and the unexpired portion of her Contract but was actually unpaid for about a year and two months, from May 2018 to July 2019. As in *Periquet*, the reasonableness of the consideration for the Compromise Documents must be assessed in relation to Milagroso's monetary claims at the time of settlement, which was only PHP 125,000.00. When measured against this amount, the sum of PHP 40,000.00 that Milagroso received from petitioners as part of their compromise is not shockingly low as to be morally reprehensible or be taken as *prima facie* evidence of fraud, coercion, or misrepresentation. Notably, Milagroso did not even impugn the consideration for being unconscionable.[154]

Besides, the mere fact that the compromise consideration is not equal to what the employee was claiming cannot, by itself and without more, constitute *prima facie* evidence of fraud. In the first place, the parties to a compromise are expected to make *reciprocal concessions*.[155] By the very nature of compromise, each party must bend a little, approximate and concede a point, and balance its gains and losses under the settlement; they agree to something that neither of them actually want but nonetheless enter into to buy peace or to avoid protracted litigation.[156] Hence, one cannot reasonably expect the employee to receive the full amount of their money claim under a

compromise with the employer.

Further, Rule V, Section 1 of DOLE Department Order No. 151, S. 2016 states that "[t]he fairness/reasonableness of settlement agreements shall depend on the *totality* of the circumstances, the degree of voluntariness and credibility of the consideration." Only the parties and SEADO Demingoy were present at the time of the execution of the Compromise Documents and only they could explain what the considerations were in reaching such settlement and agreeing to the amount of PHP 40,000.00 as consideration therefor. To iterate, it was precisely the task of SEADO Demingoy during conciliation-mediation to ensure that the terms of the parties' settlement are fair and reasonable under the circumstances, and it has not been established that she was remiss in the performance of this duty.

All told, the CA acted without jurisdiction in taking cognizance of the Rule 65 petition for *certiorari* of Milagroso in the absence of allegations of non-compliance with the Compromise Documents and without *prima facie* evidence that the settlement was obtained through fraud, coercion, or misrepresentation, contrary to Article 233 of the Labor Code. It also acted with grave abuse of discretion in setting aside the Compromise Documents, in manifest disregard of the law and the evidence on record. Consequently, the writ of *certiorari* issued by the CA must be set aside and the NLRC rulings must be reinstated.

ACCORDINGLY, the Petition for *Certiorari* with Prayer for Writ of Prohibition, Preliminary Injunction, and/or Temporary Restraining Order is **GRANTED**. The Decision dated May 5, 2023, and the Resolution dated December 4, 2023, of the Court of Appeals in CA-G.R. SP No. 176706 are **SET ASIDE**. The Decision dated August 30, 2022, and the Resolution dated October 18, 2022, of the National Labor Relations Commission in NLRC LAC No. 05-000259-22 (L) are **REINSTATED**. The Complaint before the Labor Arbiter in NLRC Case No. NCR-(L)-11-000597-21 is **DISMISSED**.

SO ORDERED.

Caguioa (Chairperson), Gaerlan, Dimaampao, and *Singh, JJ.*, concur.

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[*] Also referred to as "Ann Imelda Fedelino" in some parts of the *rollo*.

[**] Also referred to as "Nesmat Aljablin Recruitment Office" in the NLRC and LA rulings.

[***] Also referred to as "Issa Ibrahim Mutari" in the NLRC and LA rulings.

[1] *Rollo*, pp. 3-30.

[2] The Petition was denominated as a "Petition for Review on *Certiorari*" but explicitly states that it was being filed under Rule 65 of the Rules of Court (*id.* at 3 and 5).

[3] *Id.* at 31-39. Penned by Associate Justice Marlene B. Gonzales-Sison and concurred in by Associate Justices Perpetua Susana T. Atal-Paño and Maximo M. De Leon of the Seventh Division, Court of Appeals, Manila.

[4] *Id.* at 40-41.

[5] *Id.* at 42-69. Penned by Commissioner Jose C. Del Valle, Jr., and concurred in by Commissioners Victor C. Avecilla and Cecilio Alejandro C. Villanueva of the Third Division, National Labor Relations Commission, Quezon City.

[6] *Id.* at 70-73. Penned by Commissioner Jose C. Del Valle, Jr., and concurred in by Commissioners Victor C. Avecilla and Cecilio Alejandro C. Villanueva of the Third Division, National Labor Relations Commission, Quezon City.

[7] *Id.* at 74-81. Penned by Labor Arbiter Catherine Legados-Parado.

[8] *Id.* at 7, Petition; 32, CA Decision; 44, NLRC Decision.

[9] *Id.* at 32, 43-44, and 74.

[10] *Id.* at 32, 47, and 74.

[11] *Id.* at 74-75.

[12] *Id.* at 75.

[13] *Id.* at 47.

[14] *Id.* at 64.

[15] *Id.* at 47.

[16] *Id.* at 87, Order dated June 21, 2021.

[17] *Id.* at 32.

[18] *Id.* at 47-49.

[19] *Id.* at 76.

[20] *Id.* at 74-81.

[21] *Id.* at 80-81.

[22] *Id.* at 77-78.

[23] Section 10. Money Claims — . . . .

. . . .

The liability of the principal/employer and the recruitment/placement agency for any and all claims under this section shall be joint and several. This provision shall be incorporated in the contract for overseas employment and shall be a condition precedent for its approval. The performance bond to be filed by the recruitment/placement agency, as provided by law, shall be answerable for all money claims or damages that may be awarded to the workers. If the recruitment/placement agency is a juridical being, the corporate officers and directors and partners as the case may be, shall themselves be jointly and solidarily liable with the corporation or partnership for the aforesaid claims and damages.

Such liabilities shall continue during the entire period or duration of the employment contract and shall not be affected by any substitution, amendment or modification made locally or in a foreign country of the said contract.

. . . .

In case of termination of overseas employment without just, valid or authorized cause as defined by law or contract, or any unauthorized deductions from the migrant worker's salary, the worker shall be entitled to the full reimbursement of his placement fee and the deductions made with interest at twelve percent (12%) per annum, plus his salaries for the unexpired portion of his employment contract or for three (3) months for every year of the unexpired term, whichever is less.

. . . .

[24] Also known as the "Migrant Workers and Overseas Filipinos Act of 1995."

[25] Amending Republic Act No. 8042.

[26] *Rollo*, pp. 78-79.

[27] *Id.* at 80.

[28] *Id.* at 53.

[29] *Id.* at 82.

[30] *Id.*

[31] *Id.* at 84.

[32] *Id.* at 85.

[33] *Id.* at 86.

[34] *Id.* at 52.

[35] *Id.* at 53-54.

[36] *Id.* at 54.

[37] *Id.* at 54-55.

[38] *Id.*

[39] *Id.* at 42-69.

[40] *Id.* at 68.

[41] *Id.* at 57.

[42] *Id.* at 57-59.

[43] *Id.* at 60-62.

[44] *Id.* at 64-65.

[45] Section 11. *Allegations not specifically denied deemed admitted*. — Material averment in the complaint, other than those as to the amount of unliquidated damages, shall be deemed admitted when not specifically denied. Allegations of usury in a complaint to recover usurious interest are deemed admitted if not denied under oath.

[46] *Rollo*, p. 66.

[47] ART. 233. [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 non-compliance thereof or if there is *prima facie* evidence that the settlement was obtained through fraud, misrepresentation, or coercion.

[48] SECTION 3. *Effect of Settlement Agreement*. — Settlement agreement reached by the parties before the SEADO shall be final and immediately executory. It shall be binding on all DOLE offices and attached agencies except when the settlement agreement is established to be contrary to law, morals, public order and public policy.

[49] *Rollo*, pp. 63-65 and 68.

[50] *Id.* at 70.

[51] *Id.* at 35.

[52] *Id.* at 70-73.

[53] *Id.* at 72-73.

[54] Section 3. *Filing and Service of Pleadings*. — All pleadings in connection with a case shall be filed with the appropriate docketing unit of the Regional Arbitration Branch or the Commission, as the case may be.

In the event that the pleadings are filed through registered mail or courier authorized by the Commission, the date of mailing shall be considered as the date of filing thereof.

[55] *Rollo*, p. 72.

[56] *Id.* at 36.

[57] *Id.* at 31-39.

[58] *Id.* at 39.

[59] *Id.* at 36-37.

[60] *Id.* at 37.

[61] *Id.* at 37-38.

[62] *Id.* at 40.

[63] *Id.* at 40-41.

[64] *Id.* at 3-30.

[65] *Id.* at 122, Reply.

[66] *Id.* at 20-21.

[67] Now Article 233 of the Labor Code.

[68] SECTION 10. *Settlement Agreement*. — In case of voluntary settlement, the Desk Officer shall reduce the agreement into writing, have the parties understand the contents thereof, sign the same in his/her presence, and attest the document to be the true and voluntary act of the parties. Any settlement agreement reached by the parties before the Desk Officer shall be final and binding.

[69] *Rollo*, pp. 21-23.

[70] *Id.* at 14-17.

[71] *Id.* at 17-19.

[72] *Id.* at 19-20.

[73] *Id.* at 91-98.

[74] *Id.* at 96-97.

[75] **Buntag v. Paña**, 520 Phil. 175, 178 (2006).

[76] Section 1. Petition for *certiorari*. — When any tribunal, board or officer exercising judicial or quasi-judicial functions has acted without or in excess its or his jurisdiction, or with grave abuse of discretion amounting to lack or excess of jurisdiction, and there is no appeal, or any plain, speedy, and adequate remedy in the ordinary course of law, a person aggrieved thereby may file a verified petition in the proper court, alleging the facts with certainty and praying that judgment be rendered annulling or modifying the proceedings of such tribunal, board or officer, and granting such incidental reliefs as law and justice may require.

[77] **People v. Sandiganbayan** (*First Division*), 846 Phil. 718, 734 (2019).

[78] **Asistio v. People**, 758 Phil. 485, 497 (2015).

[79] *Id.*; **Philippine Spring Water Resources, Inc. v. Court of Appeals**, 736 Phil. 305,

315 (2014).

[80] **Alfiler v. Spouses Cayabyab**, 937 Phil. 712, 721 (2023).

[81] **Heirs of Cadeliña v. Cadiz**, 800 Phil. 668, 675 (2016), *citing* **Pahila-Garrido v. Tortogo**, 671 Phil. 320, 339 (2011); **Martillano v. Court of Appeals**, 477 Phil. 226, 234-235 (2004).

[82] **Sara Lee Phils., Inc. v. Macatlang**, 750 Phil. 646, 357 (2015).

[83] ART. 233. [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 non-compliance thereof or if there is prima facie evidence that the settlement was obtained through fraud, misrepresentation, or coercion.

[84] **Ortigas v. Court of Appeals**, 951 Phil. 223, 229-230 (2024); **Heirs of Cadeliña v. Cadiz**, 800 Phil. 668, 674 (2016); **Bureau of Internal Revenue v. Court of Appeals**, 747 Phil. 772, 784 (2014); **Martillano v. Court of Appeals**, 477 Phil. 226, 234-235 (2004).

[85] **Martillano v. Court of Appeals**, *id.* at 235.

[86] **Tellez v. Spouses Joson**, 960 Phil. 515, 523 (2024); **United Coconut Planters Bank v. Looyuko**, 560 Phil. 581, 589 (2007).

[87] **Lirag Textile Mills, Inc. v. Blanco**, 195 Phil. 653, 661 (1981).

[88] **Preferred Home Specialties Inc. v. Court of Appeals**, 514 Phil. 574 (2005).

[89] **Hubilla v. HSY Marketing Ltd., Co.**, 823 Phil. 358, 375 (2018).

[90] **Princess Talent Center Production, Inc. v. Masagca**, 829 Phil. 381, 407 (2018); **Loon v. Power Master, Inc.**, 723 Phil. 515, 528 (2013).

[91] *Rollo*, p. 9.

[92] *Id.* at 84.

[93] *Id.* at 85.

[94] *Id.* at 86.

[95] *Id.* at 82.

[96] *Id.* at 83.

[97] *Id.*

[98] **Domingo v. Robles**, 493 Phil. 916, 921 (2005).

[99] **Lozano v. Fernandez**, 847 Phil. 219, 229 (2019).

[100] *Id.*; **Domingo v. Robles**, 493 Phil. 916, 921 (2005).

[101] *Rollo*, p. 66.

[102] **Del Val v. National Labor Relations Commission**, 357 Phil. 286, 293 (1998); **Riker v. Ople**, 239 Phil. 83, 89 (1987).

[103] *Rollo*, p. 82.

[104] *Id.* at 64.

[105] *Id.*

[106] SECTION 6. *Issuance of Referral*. — The SEADO shall issue the Referral to the requesting party within one (1) day under any of the following circumstances:

a) Expiration of the 30-day mandatory conciliation-mediation period, unless there is a request for extension;

b) Failure of the parties to reach an agreement within the 30-day mandatory conciliation-mediation period;

c) Non-appearance of the responding party in two (2) scheduled consecutive conferences despite due notices;

d) Non-settlement of one or some issues but not all in [Request for Assistance (RFA)] with multiple issues; or

e) Non-compliance with the Agreement.

Referral may be made to the appropriate DOLE office or agency or Voluntary Arbitration. The requesting party shall submit the Referral to the appropriate office.

However, no Referral shall be issued where the requesting party has withdrawn the RFA.

SECTION 7. *Cognizance of Referred RFAs*. — Except on issues excluded pursuant to Section 3, Rule 1 of this IRR, only endorsed or referred RFAs shall be entertained by a Labor Arbiter, or the appropriate DOLE office or attached agency that has jurisdiction over the issue/s.

SECTION 8. *Contents of Referral*. — The Referral must contain the names of the parties, summary of unsettled issues to the office or agency having jurisdiction over the issue and the date of the referral. For voluntary arbitration, the Referral should specify the issues to be arbitrated.

[107] SECTION 5. *Termination of Mandatory Conciliation-Mediation Proceedings*. — Any of the following shall render the conciliation-mediation proceedings closed and terminated:

> a) Pre-termination of the 30-day mandatory conciliation-mediation proceedings as provided in the preceding Section; or
>
> b) Upon full compliance with the Settlement Agreement.

[108] An Ace Strengthening Conciliation-Mediation as a Voluntary Mode of Dispute Settlement for All Labor Cases. Amending Art. 228 of the Labor Code.

[109] SECTION 2. *Scope and Coverage*. — The *Single Entry Approach* 30-day mandatory conciliation-mediation shall be applicable to cases falling under the administrative and quasi-judicial functions of all DOLE offices and attached agencies including the NLRC except:

> . . . .
>
> The 30-day conciliation-mediation services shall be made operational through the *Single Entry Approach Desk (SEAD)* either in the Regional Branch of the National Conciliation and Mediation Board (NCMB) and in the Regional Arbitration Branch of the National Labor Relations Commission (NLRC), or with two or more regional offices/branches of the DOLE as may be determined appropriate by the DOLE Regional Coordinating Council (RCC) based on the number of Desk Officers and volume of cases in the region. *Single Entry Approach Desk* shall also be established in all Provincial and District Offices of the DOLE.

[110] Pursuant to Executive Order No. 126, S. of 1987, as amended by Executive Order No. 251, S. of 1987, the NCMB absorbed the conciliation-mediation functions of the Bureau of Labor Relations, to wit:

Sec. 22. National Conciliation and Mediation Board. A National Conciliation and Mediation Board, herein referred to as the "Board", is hereby created and which shall absorb the conciliation-mediation and voluntary arbitration functions of the Bureau of Labor of Relations in accordance with Section 29(c) hereof. The Board shall be composed of an Administrator and two (2) Deputy Administrators. It shall be an attached agency under the administrative supervision of the Secretary of Labor and Employment.

. . . .

The Board shall have its main office in Metropolitan Manila and its Administrators shall exercise supervision over Conciliators-Mediators and all its personnel. It shall establish as many branches as there are administrative regions in the country with a many Conciliator-mediators as shall be necessary for its effective operation. Each branch of the Board shall be headed by an Executive Conciliator-Mediator.

The Board shall have the following functions:

(a) Formulate policies, programs, standards, procedures, manuals of operation and guidelines pertaining to effective mediation and conciliation of labor disputes;
(b) Perform preventive mediation and conciliation functions;

. . . .

[111] **Mindoro lumber and Hardware v. Bacay**, 498 Phil. 752, 759 (2005).

[112] *Id.*

[113] *Rollo*, p. 84.

[114] *Id.* at 86. (Emphasis supplied)

[115] Rule 131, Section 3(m) of the Rules of Court, viz.:

Section 3. Disputable presumptions. — The following presumptions are satisfactory if uncontradicted, but may be contradicted and overcome by other evidence:

. . . .

(m) That official duty has been regularly performed;

[116] *See* **Nillo v. Court of Appeals**, 256 Phil. 175, 179 (1989).

[117] *Rollo*, p. 86.

[118] *Id.*

[119] *Id.* at 85.

[120] *Id.*

[121] **Tsuneishi Heavy Industries (Cebu), Inc. v. MIS Maritime Corp.**, 829 Phil. 90, 107 (2018).

[122] Black's Law Dictionary, Revised Fourth Edition, West Publishing Co., St. Paul, Minnesota, 1968, p. 1152.

[123] **People v. Ejercito**, 834 Phil. 837, 848 (2018).

[124] **Favor v. Untalan**, 611 Phil. 668, 682 (2009).

[125] *Rollo*, p. 84.

[126] *Id.* at 85.

[127] Rules of Court, Rule 131, Section 3(c) and (d).

[128] **Tan, Jr. v. Matsuura**, 701 Phil. 236, 255 (2013); **Tan v. Court of Appeals**, 256 Phil. 158, 164 (1989).

[129] **Camacho v. Court of Appeals**, 544 Phil. 178, 197 (2007).

[130] *See* **People v. Spouses Reichl**, 428 Phil. 643, 658 (2002); **Metropolitan Bank and Trust Co. v. Court of Appeals**, 266 Phil. 284, 287 (1990).

[131] **Republic v. Ponce-Pilapil**, 890 Phil. 1000, 1102 (2020); **ECE Realty and Development, Inc. v. Mandap**, 742 Phil. 164, 171 (2014).

[132] *See* **Quizon v. Juan**, 577 Phil. 470, 479 (2008).

[133] **Planters Development Bank v. Spouses Inoncillo**, 883 Phil. 309, 315 (2020).

[134] *See* **Municipality of Sta. Maria, Bulacan v. Buenaventura**, 939 Phil. 40, 45

(2023); **Requina, Sr. v. Erasmo**, 932 Phil. 304, 338-338 (2022); **Manzano, Jr. v. Garcia**, 677 Phil. 376, 386 (2011); **De Jesus v. Court of Appeals**, 524 Phil. 633, 643 (2006); and **Potenciano v. Reynoso**, 449 Phil. 396 (2003).

[135] **Heirs of Hermosilla v. Spouses Remoquillo**, 542 Phil. 390, 399 (2007).

[136] *See* **Reformist Union of R.B. Liner, Inc. v. National Labor Relations Commission**, 334 Phil. 636, 647 (1997).

[137] *Id.*; **Philippine Journalists, Inc. v. National Labor Relations Commission**, 532 Phil. 531, 538 (2006).

[138] **Commissioner of Internal Revenue v. Mindanao I Geothermal Partnership**, 843 Phil. 163, 175 (2018); **Fabian v. Desierto**, 356 Phil. 787, 800-801 (1998).

[139] **Commissioner of Internal Revenue v. Mindanao I Geothermal Partnership**, *id.*

[140] 911 Phil. 517, 536-537 (2021).

[141] **Abbot Laboratories (Philippines), Inc. v. Torralba**, 820 Phil. 196, 215-216 (2017); **Philippine Carpet Manufacturing Corp. v. Tagyamon**, 723 Phil. 562, 578-579 (2013); **Quevedo v. Benguet Electric Cooperative, Inc.**, 615 Phil. 504, 513 (2009); **More Maritime Agencies, Inc. v. National Labor Relations Commission**, 366 Phil. 646, 653 (1999); **Periquet v. National Labor Relations Commission**, 264 Phil. 1115, 1122 (1990).

[142] **Oriental Shipmanagement Co., Inc. v. Court of Appeals**, 515 Phil. 731, 740 (2006).

[143] **Fuji Television Network, Inc. v. Espiritu**, 749 Phil. 388, 429 (2014).

[144] *Id.*; **Pascua v. Bank Wise, Inc.**, 824 Phil. 846, 861 (2018).

[145] **Naldo, Jr. v. Corporate Protection Services, Phils., Inc.**, 952 Phil. 380, 393 (2024).

[146] RULES OF COURT, Rule 131, sec. 3(m).

[147] *See* **Chua v. National Labor Relations Commission**, 268 Phil. 590, 613-614 (1990), and **Nillo v. Court of Appeals**, 256 Phil. 175, 179 (1989).

[148] *See* **Reformist Union of R.B. Liner, Inc. v. National Labor Relations**

Commission, 334 Phil. 636, 646 (1997).

[149] *Rollo*, p. 83.

[150] Rule IV, Section 9 of DOLE Department Order No. 151, S. 2016 provides that "[i]nformation and statements given in confidence at the conciliation-mediation proceedings shall be treated as privileged communication and shall not be used as evidence in any arbitration proceedings, except when there is waiver of confidentiality." Given that a copy of the minutes was attached to the Petition without any objection from Milagroso, the Court holds that any objection to the consideration of the minutes in the resolution of the case on the ground of confidentiality has been waived.

[151] 264 Phil. 1115, 1122 (1990).

[152] *Rollo*, p. 87.

[153] **Spouses Aguilar v. Manila Banking Corp.**, 533 Phil. 645, 666 (2006).

[154] **J-Phil Marine, Inc. v. National Labor Relations Commission**, 583 Phil. 671, 675 (2008).

[155] Civil Code, art. 2028, which states:

> ART. 2028. A compromise is a contract whereby the parties, by making reciprocal concessions, avoid a litigation or put an end to one already commenced.

[156] **Spouses Dela Cruz v. Court of Appeals**, 485 Phil. 168 (2004); **Litton v. Court of Appeals**, 331 Phil. 324 (1996).

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