THIRD DIVISION

[G.R. No. 245269. July 28, 2025]

SAUDI ARABIAN AIRLINES, PETITIONER, VS. MARIA LOURDES D. CASTELLS AND SHALIMAR CENTI-MANDANAS, RESPONDENTS.

D E C I S I O N

DIMAAMPAO, J.:

In this Petition for Review on *Certiorari*,[1] petitioner Saudi Arabian Airlines (Saudia) impugns the Decision[2] and the Resolution[3] of the Court of Appeals (CA) in CA-G.R. SP No. 101971. The impugned Decision overturned the ruling[4] of the National Labor Relations Commission (NLRC) and reinstated the Decision[5] of the Labor Arbiter holding Saudia and Abdulmalik Saddik (Saddik), its Manila-based In-flight Service Senior Manager, responsible for the unlawful dismissal of respondents Maria Lourdes D. Castells (Castells) and Shalimar Centi-Mandanas (Centi-Mandanas).

Maria Joy Teresa O. Bilbao (Bilbao), Castells, and Centi-Mandanas were hired by Saudia on May 13, 1986 as flight attendants.[6] Years after into their employment with Saudia, Saddik received an inter-office memorandum[7] dated August 18, 2004 from Saudia's head office directing the transfer of the three crew members from Manila to Jeddah due to operational requirements-

> To: Snr. Manager IFS Admin. & Supp.
> From: G.M. IFS Cabin Crew
> Date: 01/071425.H / 17/08/2004 G
> Reference: 760/130/1223/2004
> Subject: **TRANSFER OF FLIGHT ATTENDANTS**
>
> For your information F/A will transfer from MNL centre to JED centre effective 01-SEP 2004. As this transfer is being made due to operational requirements.
>
> 1- Dela [T]orre Rachel PRN 3001101
> 2- Remedios Elisea PRN 3006075
> 3- [Castells] PRN 3006077
> 4- [Bilbao] PRN 3006078
> 5- [Centi-Mandanas] PRN 3006079

6- Molleno Eugene PRN 3006093
7- Chamen Josefina PRN 3007992
8- Kintana Jessica PRN 3008002
9- Ebbah Christine PRN 3008444
10-Relucio Monique PRN 3008450

Please arrange necessary papers as soon as possible.

Thank you. (Emphasis in the original)

As it happened, Castells submitted her resignation letter on September 1, 2004.[8] Four days later, Saudia, through Saddik, accepted her resignation, effective September 30, 2004. Bilbao and Centi-Mandanas followed suit and tendered their resignations on September 7, 2004.[9] They both executed their respective quitclaims on October 28, 2004, acknowledging that they had received the full and complete end-of-service award, along with the final settlement, and had no further claims against Saudia.[10] In the case of Castells, Bilbao signed a quitclaim on her behalf.[11]

On July 20, 2005, Castells and Bilbao lodged a complaint[12] for illegal constructive dismissal against Saudia and Saddik, stating that they were forced to resign. On August 3, 2005, Centi-Mandanas also filed a complaint[13] of the same cause of action against Saudia and Saddik, claiming that she was forced to resign.

In her sworn statement, Castells recounted the following, among others:

1) She had worked for nearly 19 years with Saudia, earning multiple citations and commendations for excellent service.
2) On August 25, 2004, she was informed by their acting group supervisor, Faiza Hussein (Hussein), that she was on the list of flight attendants to be transferred from Manila to Jeddah starting in the first week of September 2004.
3) It was widely known among Saudia employees that when flight attendants of other nationalities were transferred to Jeddah due to "operational requirements," they were essentially compelled to resign.
4) She reluctantly wrote her resignation letter, expressing gratitude for her work experience, as she felt she had no alternative but to resign in order to avoid the public embarrassment and stigma of being terminated.
5) Her employment was being terminated due to her being 39 years old.[14]

For herself, Centi-Mandanas attested—

1) She had dedicated almost 19 years to Saudia, during which time she received several citations and commendations in recognition of her outstanding service.
2) Hussein informed her on August 25, 2004 that along with several of her fellow flight attendants, she was being transferred from Manila to

Jeddah starting the first week of September 2004 due to "operational requirements."

3) Upon arriving in Jeddah on September 2, 2004, she discovered that many of the Jeddah-based flight attendants aged 40 and above had already submitted their resignation letters.
4) She was instructed to report to the office of the base manager on September 6, 2004, where she was informed that her employment contract with Saudia would not be renewed.
5) She was asked to sign a document acknowledging that she had been informed that her employment contract would expire in 30 days.
6) She was pressured to sign a pro forma resignation letter drafted by Saudia to avoid the humiliation of her abrupt termination.[15]

Saudia declaimed against the allegations of Castells and Centi-Mandanas (respondents) and contended that their resignation letters and exit interview forms, along with that of Bilbao, stated expressions of gratitude for the opportunity to work as flight attendants. [16]

In ruling that respondents and Bilbao were illegally dismissed, the Labor Arbiter disposed, thusly:

> **WHEREFORE**, premises all considered, judgment is hereby rendered declaring that complainants were illegally dismissed, and ordering Saudia to pay them full backwages from the time of their illegal dismissal until the finality of this Decision, separation pay at one (1) month for every year of service, less the amount they already received plus ten (10) percent attorney's fees on the amounts actually determined to be due them.
>
> The Research and Computation Unit, this Commission, is hereby directed to effect the necessary computation of the judgment award which shall form part of this decision.
>
> SO ORDERED.[17] (Emphasis in the original)

Unruffled, respondents appealed before the NLRC, asserting that the Labor Arbiter erred in failing to award them moral and exemplary damages.[18] Bilbao filed a separate appeal, similarly seeking payment of moral and exemplary damages.[19]

Saudia also lodged an appeal before the NLRC,[20] asseverating that the resignation letters and exit interview forms clearly demonstrated that respondents and Bilbao voluntarily resigned from their positions. It argued that it was unreasonable to expect a notice of dismissal or termination when the facts clearly indicated that they chose to resign before the company had an opportunity to exercise any rights under the circumstances. Moreover, Saudia contended that the signed quitclaims showed that the three former employees had read and understood the terms, which legally prohibited them from reversing their decisions. Allowing them to repudiate their quitclaims would amount to unjust enrichment.[21]

The NLRC granted Saudia's appeal, ratiocinating that respondents and Bilbao failed to provide substantial evidence to prove that they were coerced into signing their resignation letters. The NLRC noted that Castells, in her resignation letter, explicitly stated, "It is time to move to another career." Additionally, the NLRC concluded that they had all received their separation benefits, as indicated by the quitclaims they had executed.[22] The NLRC disposed in this wise—

> WHEREFORE, the foregoing premises considered, the respondents' appeal is hereby **GRANTED**. The decision appealed from is **REVERSED** and **SET ASIDE** and a new one is issued finding respondent not guilty of illegal dismissal.
>
> For lack of merit, [Bilbao]'s appeal is **DISMISSED**.
>
> Accordingly, the complaint is **DISMISSED**.
>
> SO ORDERED.[23] (Emphasis in the original)

Respondents moved for a reconsideration of the foregoing disposition, insisting that they had no viable option but to reluctantly resign from Saudia and as such, they were constructively dismissed.[24] However, their motion was denied for lack of merit.[25]

On February 5, 2008, respondents sought recourse before the CA via a Petition for *Certiorari*.[26] The case, docketed as CA-G.R. SP No. 101971, was raffled off to the Ninth Division.

In their petition, respondents argued that the resignation and quitclaim forms they signed were pre-drafted by Saudia, leaving them with no choice but to complete them in order to avoid having a termination record. They contended that the mere absence of physical coercion or intimidation did not equate to their voluntary or genuine consent to the terms of the quitclaim. They further revealed that Saudia's practice of transferring employees from Manila to Jeddah under the guise of "operational requirements" was a scheme to rid the company of "aging" employees. Lastly, they maintained that both the NLRC and the Labor Arbiter should have awarded them moral and exemplary damages, as Saudia's actions amounted to fraud and bad faith when their employment was terminated.[27]

Bilbao separately filed a petition for *certiorari* before the CA, impugning the same NLRC issuances. The case was docketed as CA-G.R. SP No. 102319.[28]

CA-G.R. SP No. 102319

On May 30, 2008, the CA upheld the NLRC's ruling, finding that there was no constructive dismissal. It determined that Saudia exercised a valid management prerogative in terminating its employees for just cause, as outlined in the employment contract signed by both parties. The CA also noted that Saudia gave Bilbao the option to resign or face termination, and like the other employees offered the same choice,

Bilbao opted for resignation due to the generous separation pay offered. Moreover, a close examination of the resignation letters from Bilbao and the other complainants revealed expressions of gratitude and appreciation towards their employer, leaving no grounds to assert that they were coerced into resigning.[29]

Bilbao filed a motion for reconsideration, which was subsequently denied by the CA in its July 22, 2008 Resolution.[30] The case was then elevated to this Court via a petition for review on *certiorari*, docketed as G.R. No. 183915, and assigned to the First Division.

On December 14, 2011, this Court denied Bilbao's petition and affirmed both the May 30, 2008 Decision and the July 22, 2008 Resolution of the CA in CA-G.R. SP No. 102319. The Court decreed that Bilbao voluntarily resigned from her employment with Saudia. Her resignation letter, combined with her educational background and the circumstances surrounding the filing of the illegal dismissal complaint, provided substantial evidence of her voluntary resignation.[31]

CA-G.R. SP No. 101971
(Assailed Decision)

In the impugned Decision now before this Court, the CA reversed the ruling of the NLRC and reinstated the Labor Arbiter's Decision. In so ruling, the CA held that respondents were constructively dismissed by Saudia as revealed by the following circumstances—

1) Respondents, as well as Bilbao, were all nearly 40 years old when they ended their employment with Saudia.
2) They were all senior flight attendants with close to two decades of service when their employment with Saudia was terminated.
3) Saudia provided them with only one week to prepare for their transfer from Manila to Jeddah.
4) They were required to sign pre-drafted and pre-printed quitclaims by Saudia, which did not specify the amount of settlement being paid.[32]

The CA further explicated that—

> It is unnatural and contrary to ordinary human experience that a person of sound mind would suddenly and voluntarily abandon a decent-paying job held for almost two (2) decades without any compelling reason; especially if the separation pay is substantial. And given the fact that the flight attendants who resigned at that time were around forty (40) years of age, a clear pattern emerges that Saudia is indeed laying-off the subject flight attendants on the basis of their ages which is tantamount to discrimination.[33]

The CA likewise awarded moral and exemplary damages in respondents' favor, disposing in this wise:

> **WHEREFORE**, in view of the foregoing reasons, the Court **SETS ASIDE** the National Labor Relations Commission's June 25, 2007 and October 26, 2007 Resolutions for being tainted with grave abuse of discretion amounting to excess of jurisdiction as they are inconsistent with established and prevailing jurisprudence.
>
> Accordingly, the Court **REINSTATES** the Labor Arbiter's August 31, 2006 Decision ***with modifications***. Consequently, [Saudia] is **ORDERED** to pay both [respondents] a combined amount of [PHP] 100,000.00 ***per*** **person** as moral and exemplary damages, consistent with established and prevailing jurisprudence.
>
> Costs against respondent [Saudia].
>
> **SO ORDERED**.[34] (Emphasis in the original)

Saudia's motion for reconsideration[35] was denied by the CA in the challenged Resolution.

Firm in its position, Saudia stands before this Court through the present Petition, reiterating that respondents voluntary tendered their resignations. Furthermore, Saudia highlights that this issue has long been resolved by this Court in its December 14, 2011 Decision in G.R. No. 183915.[36]

The Court's Ruling

The Petition is impressed with merit.

First off, *Tacis v. Shields Security Services, Inc*.[37] iterates this Court's earlier pronouncement, viz.:

> [I]t must be emphasized that this Court is *not* a trier of facts, and it is not its function to examine, review, or evaluate the evidence all over again. A petition for review on *certiorari* under Rule 45 of the Rules of Court should cover only questions of law. In the case at bar, the *question of whether petitioners were constructively dismissed from employment is evidently factual because it necessitates an examination of the evidence on record*.[38]
>
> The Court has enumerated *several exceptions* to this rule: (1) the conclusion is grounded on speculations, surmises or conjectures; (2) the inference is manifestly mistaken, absurd or impossible; (3) there is grave abuse of discretion; (4) the judgment is based on misapprehension of facts; (5) the findings of fact are conflicting; (6) there is no citation of specific evidence on which the factual findings are based; (7) the findings of absence of facts are contradicted by the presence of evidence on record; (8) the findings of the CA are contrary to those of the trial court; (9) the CA manifestly overlooked certain relevant and undisputed facts that, if properly

> considered, would justify a different conclusion; (10) the findings of the CA are beyond the issues of the case; and (11) such findings are contrary to the admissions of both parties.[39] (Emphasis supplied; citations omitted)

In the case at bench, the factual findings of the Labor Arbiter and the CA are at odds with those of the NLRC. Of greater significance, the CA itself rendered conflicting findings in two intertwined cases that essentially involve the same subject matter. In view of these inconsistencies in the factual findings and legal conclusions of the labor tribunals and the appellate court, the Court is compelled to entertain this Petition, albeit it entails questions of fact.

Respondents' resignations were voluntary. Saudia is not guilty of constructive dismissal.

The concept of constructive dismissal *vis-à-vis* voluntary resignation was edifyingly explicated in the case of *Panasonic Manufacturing Philippines Corporation v. Peckson*,[40] thus—

> Constructive dismissal is defined as quitting or cessation of work because continued employment is rendered impossible, unreasonable or unlikely; when there is a demotion in rank or a diminution of pay and other benefits. It exists if an act of clear discrimination, insensibility, or disdain by an employer becomes so unbearable on the part of the employee that it could foreclose any choice by him except to forego his continued employment. There is involuntary resignation due to the harsh, hostile, and unfavorable conditions set by the employer. The test of constructive dismissal is whether a reasonable person in the employee's position would have felt compelled to give up his employment/position under the circumstances.
>
> On the other hand, "[r]esignation is the voluntary act of an employee who is in a situation where one believes that personal reasons cannot be sacrificed in favor of the exigency of the service, and one has no other choice but to dissociate oneself from employment. It is a formal pronouncement or relinquishment of an office, with the intention of relinquishing the office accompanied by the act of relinquishment. As the intent to relinquish must concur with the overt act of relinquishment, the acts of the employee before and after the alleged resignation must be considered in determining whether he or she, in fact, intended to sever his or her employment."[41] (Citation omitted)

In light of the foregoing jurisprudential polestars, a careful scrutiny of the facts on record reveals-that contrary to the CA's conclusion, Saudia was able to establish respondents' voluntary resignation.

First, Saudia effectively demonstrated that respondents' resignation letters reflected the voluntary nature of their separation from the company, and were not prompted by any form of deceptive tactics or coercion on Saudia's part. In actual fact, the resignation

letters not only revealed an absence of reluctance or tension on respondents' part but also conveyed genuine gratitude. There is no indication of hostility toward Saudia. The pronouncement of the Court in *Bilbao v. Saudi Arabian Airlines*,[42] which arose from the same set of facts as the present case, is directly applicable and highly relevant to the issue at hand—

> After a review of the case, we uphold the findings of the CA that Bilbao voluntarily resigned from her employment with Saudia. Her resignation letter and undertaking that evidenced her receipt of separation pay, when taken together with her **educational attainment** and the circumstances surrounding the filing of the complaint for illegal dismissal, comprise substantial proof of Bilbao's voluntary resignation.
>
> . . . .
>
> In the instant case, Bilbao tendered her resignation letter a week after her transfer to the Jeddah office. In the said letter, Bilbao **expressed her gratitude for the support which Saudia had given her for her eighteen years of service**. Clearly, her use of words of appreciation and gratitude **negates the notion that she was forced and coerced to resign**. Besides, the resignation letter was hand-written by Bilbao on a Saudia form and was in English, a language she is conversant in.[43] (Emphasis supplied)

Second, respondents accepted the monetary benefits provided by Saudia and in return, they executed an undertaking,[44] thereby settling and waiving any further claims or causes of action against Saudia. The Court has consistently held that a waiver or quitclaim is a valid and binding agreement between the parties, provided that it represents a fair and reasonable settlement, and that the person executing it does so voluntarily and with a full understanding of its implications.[45]

Lastly, respondents' contention that they were coerced into signing the resignation letter, quitclaims, and waivers remains unsubstantiated and, therefore, lacks merit. Once again, *Bilbao* elucidates—

> Even assuming that Saudia prepared the form in which Bilbao wrote her resignation letter as claimed, this Court is not convinced that she was coerced and intimidated into signing it. Bilbao is **no ordinary employee who may not be able to completely comprehend and realize the consequences of her acts**. She is **an educated individual**. It is highly improbable that with her long years in the profession and her educational attainment, she could be tricked and forced into doing something she does not intend to do. Under these circumstances, it can hardly be said that Bilbao was coerced into resigning from Saudia.[46] (Emphasis supplied)

Moreover, even if respondents genuinely believed that it was widely known among Saudi employees that when flight attendants of other nationalities were transferred to Jeddah due to 'operational requirements,' they were effectively coerced into resigning,

this belief alone amounts to mere speculation or conjecture, and is insufficient to support the claim of constructive dismissal. After all, *he who asserts, not he who denies, must prove*.[47] In the absence of concrete evidence, the Court must rely on the actual proof presented—the resignation letters, quitclaims, and waivers bearing the respondents' signatures, which unequivocally demonstrate their intent to voluntarily terminate their employment with Saudia, rather than the unsubstantiated claim of coercion.

ACCORDINGLY, the Petition for Review on *Certiorari* is **GRANTED**. The July 27, 2017 Decision and the February 15, 2019 Resolution of the Court of Appeals in CA-G.R. SP No. 101971 are **REVERSED and SET ASIDE**. The June 25, 2007 Resolution and the October 26, 2007 Resolution of the National Labor Relations Commission in NLRC-NCR CA No. 051530-07 are **REINSTATED AND AFFIRMED** with respect to respondents Maria Lourdes D. Castells and Shalimar Centi-Mandanas.

SO ORDERED.

Inting[**] and *Gaerlan, JJ*., concur.
Caguioa[*] *(Chairperson), J*., on official business.
Singh,[***] *J*., on leave.

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[*] On official business.

[**] Acting Chairperson.

[***] On leave.

[1] *Rollo*, pp. 10-43.

[2] *Id.* at 50-64. The July 27, 2017 Decision was penned by Associate Justice Renato C. Francisco, with the concurrence of Associate Justices Sesinando E. Villon and Manuel M. Barrios of the Ninth Division, Court of Appeals, Manila.

[3] *Id.* at 66-68. The February 15, 2019 Resolution was issued by Associate Justice Sesinando E. Villon, with the concurrence of Associate Justices Manuel M. Barrios and Danton Q. Bueser of the Special Former Ninth Division, Court of Appeals, Manila.

[4] *Id.* at 592-602. The June 25, 2007 Resolution in NLRC-NCR CA No. 051530-07 was issued by Commissioner Tito F. Genilo, with the concurrence of Presiding Commissioner Lourdes C. Javier and Commissioner Gregorio O. Bilog III of the Third Division, National Labor Relations Commission, Quezon City.

[5] *Id.* at 436-450. The August 31, 2006 Decision in NLRC-NCR Case No. 00-07-06315-05 00-08-06745-05 was penned by Labor Arbiter Ramon Valentin C. Reyes of

the National Labor Relations Commission, National Capital Region, Quezon City.

[6] *Id.* at 113; 124; 135.

[7] *Id.* at 145.

[8] *Id.* at 146.

[9] *Id.* at 151-152.

[10] *Id.* at 153-154.

[11] *Id.* at 155.

[12] *Id.* at 70-71.

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

[14] *Id.* at 171-173, Affidavit.

[15] *Id.* at 229-231, Affidavit.

[16] *Id.* at 85-94, Position Paper.

[17] *Id.* at 54; 449-450.

[18] *Id.* at 527-541, Memorandum of Appeal for Castells and Centi-Mandanas.

[19] *Id.* at 54.

[20] *Id.* at 453-454, Notice of Appeal.

[21] *Id.* at 470-515, Respondent's Verified Memorandum of Appeal.

[22] *Id.* at 597-601.

[23] *Id.* at 601-602.

[24] *Id.* at 604-623, Motion for Reconsideration.

[25] *Id.* at 635-637. The October 26, 2007 Resolution in NLRC-NCR CA No. 051530-07 was issued by Commissioner Tito F. Genilo, with the concurrence of Presiding Commissioner Lourdes C. Javier and Commissioner Gregorio O. Bilog III of the Third Division, National Labor Relations Commission, Quezon City.

[26] *Id.* at 653-690.

[27] *Id.* at 57.

[28] *Id.* at 761-777. The May 30, 2008 Decision in CA-G.R. SP No. 102319 was penned by Associate Justice Mariano C. Del Castillo (now a retired Member of this Court), with the concurrence of Associate Justices Arcangelita Romilla-Lontok and Ricardo R. Rosario (now a member of this Court) of the Thirteenth Division, Court of Appeals, Manila.

[29] *Id.* at 768-775.

[30] *Id.* at 776-777.

[31] *Id.* at 639-652. The December 14, 2011 Decision was penned by Associate Justice Teresita J. Leonardo-De Castro, with the concurrence of Chief Justice Renato C. Corona (Chairperson) and Associate Justices Lucas P. Bersamin, Martin S. Villarama, and Bienvenido L. Reyes of the First Division.

[32] *Id.* at 60-61.

[33] *Id.* at 61.

[34] *Id.* at 63-64.

[35] *Id.* at 741-759.

[36] 678 Phil. 793 (2011) [Per J. Leonardo-De Castro, First Division].

[37] 907 Phil. 456 (2021) [Per J. Hernando, Third Division].

[38] *Id.* at 463-464.

[39] *Id.* at 464.

[40] 850 Phil. 68 (2019) [Per J. A.B. Reyes, Jr., Third Division].

[41] *Id.* at 79.

[42] 678 Phil. 793 (2011) [Per J. Leonardo-De Castro, First Division].

[43] *Id.* at 802.

[44] *Rollo*, pp. 154-155.

[45] *See* **Tacis v. Shields Security Services, Inc.**, 907 Phil. 456, 466 (2021) [Per J. Hernando, Third Division].

[46] **Bilbao v. Saudi Arabian Lines**, 678 Phil. 793, 803 (2011) [Per J. Leonardo-De Castro, First Division].

[47] *See* **Pascual v. Sitel Philippines Corporation**, 872 Phil. 525, 540 (2020) [Per J. Inting, Second Division].

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