



REPUBLIC OF THE PHILIPPINES
SUPREME COURT
Manila

SECOND DIVISION

NOTICE

Sirs/Mesdames:

*Please take notice that the Court, Second Division, issued a Resolution dated **June 22, 2022** which reads as follows:*

“G.R. No. 240013 (ARNIEL* BERNARDO, PEREGRINO LIBUNAO, ROMEO JOSE, MARIO DE LEON, CARMELITA VILLANUEVA, ET AL., petitioners, v. NATIONAL ELECTRIFICATION ADMINISTRATION, respondent). — Final judgments are unalterable and are to be implemented as is. This is especially true where 30-year-old final judgments remain unimplemented up to this date. Substantial justice dictates that the Updated Writs of Execution be implemented with dispatch.

This Court resolves the Petition for Review on Certiorari¹ assailing the Resolutions² of the Court of Appeals, which dismissed their Petition for Review under Rule 43 of the Rules of Court for being the wrong remedy. The Court of Appeals held that, instead of the Petition for Review, Arniel Bernardo et al. should have filed a petition for certiorari under Rule 65 since they were assailing a Decision of the National Labor Relations Commission.

Bernardo et al.³ were employees of the Nueva Ecija III Electric

* Sometimes spelled as Arnel.

¹ *Rollo*, pp. 40–65.

² *Id.* at 26–31 at 33–38. The February 9, 2018 and May 31, 2018 Resolutions were penned by Associate Justice Nina G. Antonio-Valenzuela and was concurred in by Associate Justices Priscilla J. Baltazar-Padilla (a former member of this Court) and Germano Francisco D. Legaspi of the Special Sixteenth Division, Court of Appeals, Manila.

³ Arniel Bernardo was joined by Peregrino Libunao, Romeo Jose, Mario De Leon, Carmelita Villanueva, Marites Rivera, Samuel Ordanza, Jeffrey Domingo, Nestor Padilla, Angelito Tolentino, Romeo Parungao, Adel Aquino, Macelo Capulong, Ma. Cristina Medina, Roberto Manabat, Gener Vana, Laberto Andres, Rogelio Lumibao, Marilou Mantile, Mario Valdez, Diosdado Cayanga, Julito Barlis, Erma Jacinto, Marieta Soriano, Leopoldo Lumibao, Virgilio Fernandez, Julieta Mendoza, Rodolfo Daquiz, Renato Ladisla, Hilario San Pedro, Conrado Sadie, Romeo Fernandez, Eduardo Tolentino, Nepthali Manuel, Severino Mallari, Edith Longalong, Nancy Vana, Armando Carse, Larry Ramos, Perlita Maniquiz, Reynaldo Talusan, Alfredo Jacinto, Clarita Santos, Rizalito Talplacido, Luzviminda Manubay, Gloria Valcos, Priscilla Rivcra, Susan Morales, Eloisa Torres, Rosino Valino, Alvaro Siwa, Nonilon Pablo, Enrique Ignacio, Florante Alunan, Odelon Balmaceda, Armando Cabahel, Alberto Valcos, Corazon Fajardo, Marvic Pestano, German Padilla, Lucila Apango, Marietta Cunanan, Lena Valino, Donato Esguerra, Noel Balajadia, Jaime Espirito, Renato Dela Cruz, Silvestre Jardiel, Roberto Perez, Evangeline Aquino, Jesus Fajardo, Arsenio Bautista, Gilbert Bondoc, Jose Villamar, Andrica Inocencio, Jimmy Basilio, Paquito Agulto, Ana Sta. Ana, Loreto Macapagal, Ronaldo Mananguit, Herminigildo Ramos, Rodel Santiago, Gener Sayo, Pedrito Fernandez, Salvador Navarez, Eusebio Rapanot, Valentina Aquino, Francisco Padilla, Renato Inocencio, Inocencio Santos, Carlos Corpuz,

Cooperative, Inc. From 1986 to 1988, the cooperative encountered serious institutional problems, deteriorating collection efficiency, and losses due to theft and pilferage, among others, causing it to default in its power bills to the National Power Corporation.⁴

To pay for its obligations, the cooperative obtained a loan from the National Electrification Administration on May 4, 1988, mortgaging its entire property and electrical system as security. It also entered into a Relending Agreement with the Administration, where they agreed that the Administration, through the project supervisor, would take over the cooperative's operation and management. As for the cooperative's Board of Directors, it was converted into a mere advisory body.⁵

Despite the efforts to recover from its losses, the cooperative still defaulted in its obligations. Thus, on March 23, 1992, the National Electrification Administration declared it dissolved by virtue of Section 33⁶ of Presidential Decree No. 269, or the National Electrification Administration Decree. The National Electrification Administration, as creditor and mortgagee, took over the cooperative's properties and continued its operations through the National Electrification Administration Management Team.⁷

The cooperative's employees, including Bernardo et al., continued to work under the Management Team until June 1992 when they were dismissed from service due to the supposed dissolution and closure of the cooperative.⁸ This prompted the employees who had worked under the Management Team to file cases for illegal dismissal against Alberto Guiang, the designated project supervisor, and the Nueva Ecija III Electric

Abraham Estibar, Rodrigo Belatcha, Josephine Manuel, Fernando G. Caysido, Catherine Santiago, Mario Busog, Roberto Apan, Wilfredo Palma, Remy Villaflor, Anicia Alunan, Eleuterio Nolasco, Leilani Santos, Benjamin Javier, Arturo Padolina, Noel Abisado, Leonicia Gamboa, Eduardo Ocampo, Celso Sansait, Bernardo Mapagu, Nolito De Leon, Lolito Masilang, Theresa Valiente, Isagani Santos, Eufrocina Rivera, Judelyn Estabillo, Luzviminda Fabian, Edgardo Valerio, Edwin Valiente, Myrna Velasco, Roberto Ausa, Liwarlito Alcantara, Dante Mababa, Celso Manuel, Patricio de Leon, Ramon Padilla, Paterno Malicsi, Hilario Sta. Maria, and Filipinas Fernandez in filing the Petition for Review on Certiorari before this Court.

⁴ *Rollo*, pp. 45 and 372.

⁵ *Id.*

⁶ Presidential Decree No. 269 (1973), sec. 33 partly provides:

SECTION 33. *Dissolution.* — A cooperative may be dissolved in the following manner: The proposition to dissolve shall be submitted to the members of the cooperative at any annual or special meeting, the notice of which shall set forth such proposition. The members at any such meeting shall approve, by the affirmative vote of not less than a majority of all members of the cooperative, the proposition that the cooperative be dissolved (hereinafter designated the "certificate") shall be executed and acknowledged on behalf of the cooperative by its president or vice-president under its seal, attested by its secretary, stating: (1) the name of the cooperative; (2) the address of its principal office; and (3) that the members of the cooperative have duly voted that the cooperative be dissolved. Also, an affidavit, made by its president or vice-president executing the certificate, shall state the statements in the certificate are true. Upon the filing of the certificate and affidavit as provided for in Section 34, the cooperative shall cease to carry on its business except to the extent necessary for the winding up thereof, but its corporate existence shall continue until articles of dissolution shall have been filed.

⁷ *Rollo*, pp. 45 and 372-373.

⁸ *Id.* at 45-46 and 373.

Cooperative before the National Labor Relations Commission.⁹

The illegal dismissal cases—*Josephine Manuel et al. v. Alberto Guiang and Nueva Ecija III Electric Cooperative, Inc.*,¹⁰ *Arniel Bernardo et al. v. Guiang and Nueva Ecija III Electric Cooperative*,¹¹ and *Vicente Legaspi, Jr. v. Nueva Ecija III Electric Cooperative*¹²—were all decided in favor of the employees. *Manuel* was decided in 1992,¹³ *Bernardo* in 1994,¹⁴ and *Legaspi* in 1996,¹⁵ with the Labor Arbiters who decided the cases uniformly ruling that there was no closure or cessation of business as contemplated in Article 283 of the Labor Code. The Labor Arbiters noted that the cooperative was dissolved by mere declaration, not by at least a majority vote of all the members of the cooperative as required by Section 33 of Presidential Decree No. 269.¹⁶ Furthermore, no notices of termination were furnished to the employees,¹⁷ and the cooperative's operations were continued by the Management Team,¹⁸ so there was no genuine closure or cessation of business. With no authorized cause for their dismissal, *Bernardo et al.* were ordered reinstated to their former or equivalent positions with payment of full backwages.¹⁹

The National Electrification Administration appealed each of the Decisions in the illegal dismissal cases, but all were denied by the National Labor Relations Commission.²⁰ Its Petition for Certiorari filed before the Court of Appeals was dismissed,²¹ and the Petition for Review on Certiorari filed before this Court was likewise denied.²² This Court's Resolution became final, and an Entry of Judgment was accordingly issued on June 26, 2002.²³

Writs of Execution and, subsequently, Alias Writs of Execution, were issued by Labor Arbiters Reynaldo V. Abdon and Mariano L. Bactin in favor of *Bernardo et al.*²⁴

In the meantime, on April 4, 2006, the National Electrification Administration executed a Deed of Conditional Sale,²⁵ selling the properties

⁹ Id.

¹⁰ Id. at 96–112.

¹¹ Id. at 123–175.

¹² Id. at 114–121.

¹³ Id. at 112.

¹⁴ Id. at 175.

¹⁵ Id. at 121.

¹⁶ Id. at 108–110, 133–135, and 118–119.

¹⁷ Id. at 106–108 and 132.

¹⁸ Id. at 132.

¹⁹ Id. at 111–112, 121, and 158–175.

²⁰ Id. at 113, 122, and 176.

²¹ Id. at 182. The Decision was penned by Associate Justice Bernardo P. Abesamis and was concurred in by Associate Justices Godardo A. Jacinto and Eliezer R. De Los Santos.

²² Id. at 184.

²³ Id.

²⁴ Id. at 46 and 374.

²⁵ Id. at 186–189.

it had acquired from the cooperative by way of *dacion en pago* to Nueva Ecija II Electric Cooperative.²⁶

Eleven years after, on February 2, 2017, the National Labor Relations Commission issued an Updated Writ of Execution involving the illegal dismissal cases. Per the Writ of Execution, the National Electrification Administration's accounts with the Land Bank of the Philippines were garnished.²⁷

On June 13, 2017, the National Electrification Administration filed a Consolidated Petition²⁸ before the National Labor Relations Commission to annul the Updated Writs of Execution and Notices of Garnishment issued in favor of Bernardo et al. It essentially maintained that it had no employer-employee relationship with Bernardo et al.; hence, the Writs of Execution cannot be enforced against its properties to satisfy their labor claims.

In their Answer and Opposition to the Consolidated Petition,²⁹ Bernardo et al. contended that by gaining control of the properties and operations of the defunct cooperative, the National Electrification Administration became Bernardo et al.'s employer. Besides, the Labor Arbiters' Decisions on the illegal dismissal case have long become final and executory. Therefore, the National Labor Relations Commission's findings as to the existence of employer-employee relationship may no longer be altered.³⁰

In its September 27, 2017 Decision,³¹ the National Labor Relations Commission granted the Consolidated Petition. In so ruling, it examined Energy Regulatory Commission Decision No. 2010-004 RC, the decision on which the issuance of the Updated Writs of Execution was allegedly based, and found that there was nothing in it that stated that the cooperative's properties were illegally transferred to the National Electrification Administration.³²

The National Labor Relations Commission emphasized that the National Electrification Administration was a stranger to the labor case, not being the employer of Bernardo et al. Therefore, it could not be made liable for Bernardo et al.'s labor claims.³³

The dispositive portion of the Decision reads:

²⁶ Id. at 186.

²⁷ Id. at 49 and 378.

²⁸ Id. at 190–211.

²⁹ Id. at 212–236.

³⁰ Id. at 220–223.

³¹ Id. at 238–254. The Decision was penned by Presiding Commissioner Joseph Gerard E. Mabilog and was concurred in by Commissioner Nieves E. Vivar-De Castro. Commissioner Isabel G. Panganiban-Ortiguerra dissented.

³² Id. at 250.

³³ Id. at 251–252.

WHEREFORE, in view of the foregoing, the Consolidated Petition is **GRANTED**. The assailed February 2, 2017 Updated Writs of Execution and Notices of Garnishment issued by Executive Labor Arbiter Mariano L. Bactin in **NLRC Case RAB III-09-2920-92** – *Josephine Manuel, et al. v. Alberto-Guiang-Nueva Ecija III Electric Cooperative, Inc.*; **NLRC Case RAB III-01-6768-96** – *Vicente P. Legaspi v. Nueva Ecija III Electric Cooperative, Inc. and/or Engr. Ferdinand Pamintuan*; and **NLRC Case RAB III-12-3090-92** – *Arnel Bernardo, et al. v. Alberto Guiang and Nueva Ecija Electric Cooperative III*; as well as the May 30, 2017 Order issued by Labor Arbiter Reynaldo V. Abdon denying the National Electrification Administration’s Urgent Motion to Quash/Lift Updated Writs of Execution and Notice of Garnishment, are **REVERSED AND SET ASIDE**.

SO ORDERED.³⁴ (Emphasis in the original)

Commissioner Isabel G. Panganiban-Ortiguerra (Commissioner Panganiban-Ortiguerra) dissented, maintaining that the cooperative’s assets were already transferred to the National Electrification Administration, so it was proper to enforce the judgment liability against its assets. However, considering that the National Electrification Administration was a government-owned or controlled corporation, Commissioner Panganiban-Ortiguerra said that Bernardo et al. should file their claims before the Commission on Audit.³⁵

Bernardo, et al. moved for reconsideration,³⁶ which the National Labor Relations Commission denied in a November 9, 2017 Resolution.³⁷ Commissioner Panganiban-Ortiguerra maintained her dissent.³⁸

Bernardo et al. then filed a Petition for Review under Rule 43 of the Rules of Court before the Court of Appeals.³⁹

In a February 9, 2018 Resolution,⁴⁰ the Court of Appeals dismissed the Petition for Review for being the wrong remedy, and for lack of the required authority of petitioner Edgardo N. Valerio to sign the Verification/Certificate of Non-Forum Shopping on behalf of his co-petitioners. The Petition for Review was likewise found lacking of the required pleadings under Rule 65, specifically, the Position Papers, Memorandum of Appeal, and Motion for Reconsideration.⁴¹

³⁴ Id. at 252–253.

³⁵ Id. at 253–254.

³⁶ Id. at 255–263.

³⁷ Id. at 266–268.

³⁸ Id. at 268.

³⁹ Id. at 29.

⁴⁰ Id. at 26–31.

⁴¹ Id. at 29.

The February 9, 2018 Resolution is quoted in full below:

The Court **DISMISSES** the Petition For Review (under Rule 43 of the Rules of Court) for the following reasons:

- 1) the Petition for Review is the wrong remedy;
- 2) the Petition for Review contains the following infirmities:
 - a) the Petition for Review does not contain a special power of attorney showing the petitioner Edgardo N. Valerio's (Attorney-in-Fact of the petitioners) authority to sign the Verification/Certificate of Non-Forum Shopping on behalf of the petitioners;
 - b) the Petition for Review is not accompanied by pertinent pleadings (*i.e.*: Position Papers; Memorandum of Appeal; and Motion for Reconsideration), in violation of Rule 43, Section 6, in relation to Rule 46, Section 3 of the Rules of Court.

We dismiss the Petition for Review for being the wrong remedy.

A reading of the Petition for Review filed by the petitioners shows that the petitioners come to this Court assailing the National Labor Relations Commission, Sixth Division (NLRC) Decision dated 23 October 2017, and the Resolution dated 09 November 2017, and imputing grave abuse of discretion amounting to lack or excess of jurisdiction on the part of the NLRC.

The appropriate remedy to assail the Decision, and the Resolution, of the NLRC, is a special civil action for certiorari under Rule 65, Rules of Court, and not an ordinary appeal under Rule 43, Rules of Court, as ruled in the case of *St. Martin Funeral Home v. National Labor Relations Commission*.

Clearly, the petitioners' Petition for Review is the wrong remedy.

SO ORDERED.⁴² (Emphasis in the original)

Bernardo et al. filed a Motion for Reconsideration, which the Court of Appeals denied in a May 31, 2018 Resolution.⁴³

On August 2, 2018, Bernardo et al. filed their Petition for Review on Certiorari.⁴⁴ Upon the directive of this Court,⁴⁵ the National Electrification Administration filed its Comment,⁴⁶ to which petitioners filed a Reply.⁴⁷

⁴² Id. at 29–31.

⁴³ Id. at 33–38.

⁴⁴ Id. at 40–65.

⁴⁵ Id. at 371.

⁴⁶ Id. at 372–390.

⁴⁷ Id. at 542–555.

Petitioners apologize for what they admit was an “oversight”⁴⁸ on their part, but pray that this Court give “primacy over justice[.]”⁴⁹ They argue that they had substantially complied with Rule 43 of the Rules of Court by attaching to their Petition for Review copies of the assailed rulings of the National Labor Relations Commission.⁵⁰

Petitioners add that the National Labor Relations Commission gravely abused its discretion in annulling the Writs of Execution previously issued considering that the National Electrification Administration’s liability to them is already settled.⁵¹

Respondent counters that petitioners availed of the wrong remedy, not even providing any reason why the Rules of Court should be relaxed in their favor. Thus, respondent says that their Petition for Review was correctly dismissed on procedural grounds.⁵²

On the merits, respondent maintains that there was no basis to garnish its assets to answer for petitioners’ labor claims.⁵³ As the National Labor Relations Commission correctly found, nothing in the record stated that respondent illegally sold its assets to Nueva Ecija II Electric Cooperative to evade its liability to petitioners. In addition, respondent argues that it had no employer-employee relationship with petitioners, and it was allegedly “a complete stranger”⁵⁴ to the illegal dismissal cases, petitioners’ employer being the Nueva Ecija III Electric Cooperative. Respondent thus prays for the denial of the Petition for Review on Certiorari.⁵⁵

The issues for this Court’s resolution are:

First, whether or not the Court of Appeals erred in dismissing petitioners Bernardo et al.’s Petition for Review for being the wrong remedy; and

Second, whether or not the National Labor Relations Commission gravely abused its discretion in annulling the Updated Writs of Execution.

The Petition for Review on Certiorari is granted.

As this Court observed in *St. Martin Funeral Home v. National Labor*

⁴⁸ Id. at 59.

⁴⁹ Id.

⁵⁰ Id. at 59–60.

⁵¹ Id. at 60.

⁵² Id. at 330–331.

⁵³ Id. at 382.

⁵⁴ Id. at 383.

⁵⁵ Id. at 383–386.

Relations Commission,⁵⁶ the law does not provide for appeals from decisions of the National Labor Relations Commission.⁵⁷ Nevertheless, given the “underlying power of the courts to scrutinize the acts of [government] agencies on questions of law and jurisdiction even though no right of review is given by statute[,]”⁵⁸ this Court ultimately held that an aggrieved party may still question a decision of the National Labor Relations Commission via a petition for certiorari on the ground of grave abuse of discretion.⁵⁹ Further, under the doctrine of hierarchy of courts, the petition should be filed before the Court of Appeals, not directly before this Court.⁶⁰

Still, “in accordance with the liberal spirit pervading the Rules of Court and in the interest of substantial justice[,]”⁶¹ there are instances when this Court considered petitions for certiorari as appeals, especially when there is substantial compliance with the procedural requirements of the appeal.⁶² The reverse should be true: Still in the interest of substantial justice, an appeal can be considered a petition for certiorari, especially when the ground raised is grave abuse of discretion and there is substantial compliance with the procedural requirements under Rule 65 of the Rules of Court.

Admittedly, petitioners availed of the wrong remedy when they filed a Petition for Review, *i.e.*, an appeal, of the National Labor Relations Commission’s rulings. Still, it is not hard to consider their appeal as a petition for certiorari because they raise as a ground for their Petition grave abuse of discretion on the part of the National Labor Relations Commission.⁶³ They also filed their Petition within the 60-day reglementary period for filing petitions for certiorari.⁶⁴ It can thus be said that, apart from the erroneous title, the Petition filed by Bernardo et al. was actually one for certiorari under Rule 65.

Besides, the 124 petitioners have been denied the fruits of their victory for almost 30 years. Substantial justice dictates that their Petition be taken cognizance of despite any technical error they may have made.

Contrary to the Court of Appeals’ ruling, the Position Papers and the Memorandum of Appeal are not pertinent to the Petition. To recall, when

⁵⁶ 356 Phil. 811 (1998) [Per J. Regalado, En Banc].

⁵⁷ *Id.* at 815.

⁵⁸ *Id.* at 816.

⁵⁹ *Id.*

⁶⁰ *Id.* at 824.

⁶¹ *Department of Education v. Cuanan*, 594 Phil. 451, 461 (2008) [Per J. Austria-Martinez, En Banc]. See also *Punongbayan-Visitacion v. People*, 823 Phil. 212, 222 (2018) [Per J. Martires, Third Division].

⁶² See *Punongbayan-Visitacion v. People*, 823 Phil. 212 (2018) [Per J. Martires, Third Division]; *Department of Education v. Cuanan*, 594 Phil. 451 (2008) [Per J. Austria-Martinez, En Banc].

⁶³ *Rollo*, p. 86, Court of Appeals Decision.

⁶⁴ The Court of Appeals did not cite the belated filing as a ground to dismiss the Petition for Review. This means that the Petition was filed within 15 days from receipt of the assailed Resolution of the National Labor Relations Commission.

the Petition was filed in the Court of Appeals, the main case was already in its execution stage. Under Rule V, Section 5⁶⁵ and Rule XII, Section 15⁶⁶ of the 2011 National Labor Relations Commission Rules of Procedure (NLRC Rules), position papers and memoranda of appeal are prohibited pleadings because there can be no appeals from the order of the Labor Arbiter arising from the execution proceedings. Instead, under Rule XII of the NLRC Rules, the pleadings pertinent to annulments of writs of execution are the petition,⁶⁷ the answer,⁶⁸ and the resolution on the petition,⁶⁹ all of which were submitted by petitioners to the Court of Appeals.⁷⁰ They also submitted copies of the Motion for Reconsideration of the September 27, 2017 Decision of the National Labor Relations Commission. The Court of Appeals thus erred in dismissing their Petition for not submitting copies of the Position Papers and Memorandum of Appeal.

On the merits, we find the Petition before the Court of Appeals meritorious. The National Labor Relations Commission gravely abused its discretion in issuing the September 27, 2017 Decision and the November 9, 2017 Resolution setting aside the Updated Writs of Execution and Notices of Garnishment.

First, the National Labor Relations Commission said that nothing on record proved that respondent sold the properties it had acquired from Nueva Ecija III Electric Cooperative to Nueva Ecija II Electric Cooperative to evade the satisfaction of judgment in the illegal dismissal cases. This is contrary to the actions of the National Electrification Administration which, in 2006, sold the properties it had acquired from the Nueva Ecija III Electric Cooperative to the Nueva Ecija II Electric Cooperative. Notably, the sale was made when the Writs of Execution in the illegal dismissal cases remained unimplemented against the cooperative's properties. The National Electrification Administration cannot feign ignorance of the judgment in the illegal dismissal cases, precisely because it took over the operations and management of the Nueva Ecija III Electric Cooperative. The entity managing the cooperative was even named the "National Electrification Administration Management Team." Therefore, it is not true that there is no evidence of the National Electrification Administration trying to evade the

⁶⁵ NLRC RULES OF PROCEDURE (2011), Rule V, Sec. 5 provides:
Section 5. PROHIBITED PLEADINGS AND MOTIONS. — The following pleadings and motions shall not be allowed and acted upon nor elevated to the Commission:

.....
i) Appeal from orders issued by the Labor Arbiter in the course of execution proceedings[.]

⁶⁶ NLRC RULES OF PROCEDURE (2011), Rule XII, Sec. 15 provides:
SECTION 15. NO APPEAL FROM THE ORDER OR RESOLUTION OF THE LABOR ARBITER ARISING FROM EXECUTION PROCEEDINGS OR OTHER INCIDENTS. — Except by way of a petition filed in accordance with this Rule, no appeal from the order or resolution issued by the Labor Arbiter during the execution proceedings or in relation to incidents other than a decision or disposition of the case on the merits, shall be allowed or acted upon by the Commission.

⁶⁷ NLRC RULES OF PROCEDURE (2011), Rule XII, Sec. 1.

⁶⁸ NLRC RULES OF PROCEDURE (2011), Rule XII, Sec. 7.

⁶⁹ NLRC RULES OF PROCEDURE (2011), Rule XII, Sec. 13.

⁷⁰ *Rollo*, pp. 59–60. The allegation was not controverted by the National Electrification Administration in its Comment.

satisfaction of the judgment in the illegal dismissal cases.

Second, the National Labor Relations Commission set aside the Updated Writs of Execution and Notices of Garnishment against respondent because the latter is not the judgment obligor in the illegal dismissal cases. This was the same argument of respondent, an argument already rejected by the Court of Appeals in its final and executory September 13, 2007 Decision in CA-G.R. SP No. 57187. In affirming the finding of illegal dismissal, the Court of Appeals, in its September 13, 2007 Decision, said:

Apparently, the implementation and satisfaction of the said writ was made not against the properties of the respondents [Nueva Ecija III Electric Cooperative] and Guiang but rather against those of the [National Electrification Administration's], with [the National Electrification Administration] Management Team having taken over operations of [the Nueva Ecija III Electric Cooperative]. [The National Electrification Administration and National Electrification Administration Management Team] further claim that the writ was being implemented against their funds. In addition, they allege that such properties and funds being garnished do in fact belong to the government and cannot therefore be the subject of an execution of the Labor Arbiter's decision.

Petitioners thus came to this Court praying for the issuance of an *ex-parte* temporary restraining order to enjoin the public respondents, NLRC, Labor Arbiter and Sheriffs in implementing the said writ as well as the issuance of an order from this Court declaring the said writ null and void.

In support of their cause, petitioners argue that:

I

THEY ARE NOT PARTIES TO THE NLRC CASE NO. RAB-III-12-3090-92 AND THEREFORE CANNOT BE MADE LIABLE AND ANSWERABLE TO COMPLAINANTS THEREIN WITH THEIR PROPERTIES.

II

THE AWARD MADE WAS IN FAVOR OF THE COMPLAINANTS WHO ARE ALL EMPLOYEES OF [THE NUEVA ECIJA III ELECTRIC COOPERATIVE]. THEY ARE NOT EMPLOYEES OF [THE NATIONAL ELECTRIFICATION ADMINISTRATION] OR [THE NATIONAL ELECTRIFICATION ADMINISTRATION MANAGEMENT TEAM].

III

ALL PROPERTIES AND FUNDS OF [THE NATIONAL ELECTRIFICATION ADMINISTRATION] AND [THE NATIONAL ELECTRIFICATION ADMINISTRATION MANAGEMENT TEAM] ARE GOVERNMENT PROPERTIES AND FUNDS ALREADY APPROPRIATED BY LAW FOR SPECIFIC PURPOSES. ONLY CONGRESS HAS THE POWER TO DETERMINE THE PURPOSE FOR WHICH GOVERNMENT FUNDS WILL BE USED. A MERE LABOR ARBITER CERTAINLY CANNOT ARROGATE UNTO HIMSELF SUCH CONGRESSIONAL POWER.

....

We defer the Court's discussion on the merits of these arguments and prefatorily make a prior inquiry regarding a fundamental issue critical to the petitioners' cause: Whether or not the properties and funds subject of execution of the Labor Arbiter's decision are owned by the petitioners. If owned by the petitioners, then there would indeed be cause to enjoin the implementation of the assailed writ. However, if this Court determines otherwise, its dire consequences need no further elaboration.

On this score, We begin with Sec. 5(a) of P.D. 1645, which amended Sec. 10, Chapter II of P.D. 629, which pertinently provides:

“Section 10. Enforcement Powers and Remedies. x
x x

If the electric cooperative concerned or other similar entity fails after due notice to comply with NEA orders, rules and regulations, and/or decisions or with any of the terms of the Loan Agreement, the NEA Board of Administrators may avail any or all of the following remedies:

xxx xxx xxx

- (d) Foreclosure or mortgage or deed of trust or other security held by the NEA on the properties of such borrower in connection with which the NEA may x x x (4) even prior to the institution of foreclosure proceedings, operate or lease such properties for such period, and in such manner as deemed necessary or advisable to protect the investment therein, including the improvement, maintenance and rehabilitation systems to be foreclosed x x x.”

In connection with this, it has been pointed out by the Labor Arbiter in his decision that:

“It cannot be gainsaid that the [National Electrification Administration], even before the institution of foreclosure proceedings, is authorized to operate and lease the properties of the cooperative which are mortgaged with [it]. **Hence, [the National Electrification Administration], acting in pursuance of the authority granted it by law, is still operating the properties owned by [Nueva Ecija III Electric Cooperative]. x x x”**

Moreover, as appended to the position paper submitted by Guiang and [the Nueva Ecija III Electric Cooperative] to the Labor Arbiter, the [National Electrification Administration] Management Team has the following functions:

- a) To take actual possession of the mortgaged properties.
- b) To bill electric consumers.
- c) To receive payments for accounts due the defunct electric cooperative.

- d) To accept/evaluate and pay outstanding obligations of the defunct [Nueva Ecija III Electric Cooperative].
- e) To receive/evaluate claims of resigned/separated and/or terminated employees.
- f) To conduct physical inventory of the Assets and Liabilities of the defunct cooperative.
- g) To manage the day-to-day operation of the defunct electric cooperative.
- h) To bring and defend all actions brought against and/or in the name of the defunct electric cooperative.
- i) To perform such other functions which may be assigned from time to time.

The foregoing clearly illustrate the fatal flaw of the petitioners' cause. [The National Electrification Administration] does not own the properties and funds turned over to them by [the Nueva Ecija III Electric Cooperative] when it took possession and control of the latter's operations. Aside from the bare allegations of the petitioners that they own the properties subject of execution and that the funds being garnished belong to the government, there is nothing on record that would substantiate their claims.

If it were true that [the Nueva Ecija III Electric Cooperative] underwent dissolution proceedings as outlined under Sec. 33 of P.D. 269, then [the Nueva Ecija III Electric Cooperative's] properties and other assets would have been properly liquidated and distributed, after settling all its debts and other obligations. As it is, there is no way that ownership of all [of the Nueva Ecija III Electric Cooperative's] properties and funds be automatically transferred to [the National Electrification Administration] absent any discharge of its prior existing obligations, including those of [the National Electrification Administration's].

....

In the meantime, where the petitioners miserably failed to prove their alleged ownership over [the Nueva Ecija III Electric Cooperative's] properties, the dismissal of this certiorari action would be in order. Moreover, We find no necessity in further discussing the arguments submitted by the petitioners.⁷¹ (Emphasis supplied)

Indeed, the Updated Writs of Execution and Notices of Garnishment were issued against respondent not because it was the judgment obligor per se, but because it took possession and control of the properties of the judgment obligor, the Nueva Ecija III Electric Cooperative. This is the very concept of levy and garnishment, done when the properties in the possession of the judgment obligor are not enough to satisfy the judgment. Properties belonging to the judgment obligor but are in the hands of third persons are then garnished to satisfy the judgment.⁷²

It is therefore immaterial that no employer-employee relationship exists between petitioners and respondent. *National Electrification*

⁷¹ Id. at 179–183.

⁷² RULES OF COURT, Rule 39, sec. 9(b) and (c).

Administration v. National Labor Relations Commission and Labor Arbiter Saludares,⁷³ where this Court held via unsigned resolution that the employees of the Nueva Ecija III Electric Cooperative never became respondent's employees, cannot defeat the Updated Writs of Execution and Notices of Garnishment.

Likewise, the ruling in *National Electrification Administration v. National Labor Relations Commission and Labor Arbiter Darlucio*,⁷⁴ cited by respondent as basis to evade execution, will not hold. Even if this Court in that case held that the National Electrification Administration never became owner of the properties of the Nueva Ecija III Electric Cooperative, again, the issue is *not* the ownership, but the *possession and control* of the properties.

Therefore, the Writs of Execution can be implemented against the properties clearly acquired by respondent from the Nueva Ecija III Electric Cooperative, specifically, the properties named in Annex "A" of the April 4, 2006 Deed of Conditional Sale:

DEED OF CONDITIONAL SALE

KNOW ALL MEN BY THESE PRESENTS:

This Deed of Conditional Sale executed by and between:

The National Electrification Administration (NEA), a government owned and controlled corporation, duly existing under the laws of the Republic of the Philippines, with office address at NEA Bldg., NIA Road, Government Center, Diliman, Quezon City, represented by its Administrator, **EDITA S. BUENO**, hereinafter referred to as **VENDOR**;

- and -

The Nueva Ecija II Electric Cooperative, Inc., a non-stock, non-profit electric cooperative, duly registered under Presidential Decree (P.D.) No. 269, as amended, with office address at Maharlika Highway, Barangay Diversion, San Leonardo, Nueva Ecija, represented by its Board President, **REYNALDO V. VILLANUEVA**, hereinafter referred to as **VENDEE**;

WITNESSETH:

WHEREAS, the NEA is the owner of properties consisting of land, buildings, electric distribution system, motor vehicles and office equipment, more particularly described in ANNEX "A" hereto attached and made an integral part of this Deed;

WHEREAS, the above-mentioned properties were acquired by the NEA as creditor, by way of "dacion en pago" from the defunct Nueva

⁷³ G.R. No. 129722, November 18, 1998 (Unsigned Resolution). *See rollo*, pp. 465-468.

⁷⁴ G.R. No. 129722, January 17, 2011 (Unsigned Resolution). *See rollo*, pp. 475-480.

*Ecija III Electric Cooperative, Inc. (NEECO III) under NEA Board Resolution No. 34 dated October 27, 1999[.]*⁷⁵

We fully agree with Commissioner Panganiban-Ortiguerra's dissent to the September 27, 2017 Decision, including her opinion that the judgment award must be filed with the Commission on Audit considering that the properties being levied are under the control of a government-owned and controlled corporation:⁷⁶

I DISSENT:

I disagree with the ruling. Perusal of the decisions . . . subject of the assailed Order shows that [the National Electrification Administration] was operating [the Nueva Ecija III Electric Cooperative] through its Management Team at the time private respondents/employees were dismissed. Further, the decisions found that there was no valid dissolution of the [Nueva Ecija III Electric Cooperative].

Although [the National Electrification Administration] itself was not impleaded as a respondent in the labor cases, the decisions clearly intended to hold it liable for the judgment award as [the Nueva Ecija III Electric Cooperative]'s successor. As such, [the National Electrification Administration] cannot be considered a stranger to the labor cases. To note, the decisions are already final. What remains is only to enforce the same in such a way as would give effect to the dispositions contained therein.

[The Nueva Ecija III Electric Cooperative]'s assets were already transferred to [the National Electrification Administration]. Hence, it is only proper to enforce the judgment against [the National Electrification Administration].

It should be noted however, that since [the National Electrification Administration] is a [government-owned or controlled corporation], the judgment award against it must be filed with the [Commission on Audit].

[signed]
ISABEL G. PANGANIBAN-ORTIGUERRA
*Commissioner*⁷⁷

There is grave abuse of discretion when there "is a capricious and whimsical exercise of judgment so patent and gross as to amount to an evasion of a positive duty or a virtual refusal to perform a duty enjoined by law, as where the power is exercised in an arbitrary and despotic manner because of passion or hostility."⁷⁸ In annulling the Updated Writs of Execution, the National Labor Relations Commission overturned a final and

⁷⁵ *Rollo*, p. 186.

⁷⁶ *National Electrification Administration v. Morales*, 555 Phil. 74, 84--85 (2007) [Per J. Austria-Martinez, Third Division].

⁷⁷ *Rollo*, pp. 253-254.

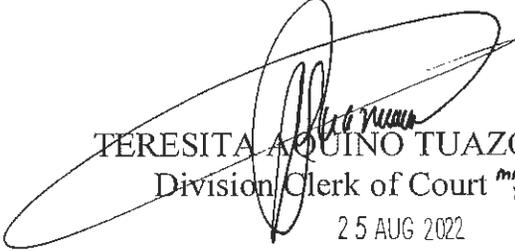
⁷⁸ 778 Phil. 221, 230 (2016) [Per J. Peralta, Third Division].

executory Decision of this Court, even going as far as ruling anew on the merits of the case. This is in violation of the doctrine of immutability of final judgments⁷⁹ and should not be countenanced; otherwise, there will be no end to litigation.

ACCORDINGLY, the Petition for Review on Certiorari is **GRANTED**. The February 9, 2018 and May 31, 2018 Resolutions of the Court of Appeals in CA-G.R. SP No. 153948 are **SET ASIDE**. The Consolidated Petition in LER Case No. 06-162-17 is **DISMISSED** for lack of merit and for being prosecuted manifestly for delay.

SO ORDERED.”

By authority of the Court:


 TERESITA AQUINO TUAZON
 Division Clerk of Court ^{mm}/_{ylx}
 25 AUG 2022

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 (NLRC Case RAB-III-09-2920-92;
 NLRC Case RAB-III-01-6768-96;
 NLRC Case RAB-III-12-3090-92)

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⁷⁹ See *Gadrinab v. Salamanca*, 736 Phil. 279, 292–293 (2014) [Per J. Leonen, Third Division].