



Republic of the Philippines
Supreme Court
 Manila

SUPREME COURT OF THE PHILIPPINES
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FIRST DIVISION

JULIETA B. STA. ANA,
Petitioner,

G.R. No. 208459

Present:

- versus -

SERENO, *C.J., Chairperson,*
 LEONARDO-DE CASTRO,
 DEL CASTILLO,
 PERLAS-BERNABE, *and*
 CAGUIOA, *JJ.*

MANILA JOCKEY CLUB, INC.,
Respondent.

Promulgated:
FEB 15 2017

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DECISION

DEL CASTILLO, J.:

Before the Court is a Petition for Review on *Certiorari* assailing the July 11, 2012 Decision¹ of the Court of Appeals (CA) in CA-GR. SP No. 114861. The CA affirmed the February 26, 2010² and April 30, 2010³ Resolutions of the National Labor Relations Commission (NLRC), which in turn affirmed the September 28, 2009 Decision⁴ of the Labor Arbiter (LA) dismissing the illegal dismissal case against Manila Jockey Club, Inc. (MJCI)/Atty. Alfonso Reyno (Atty. Reyno). Also challenged is the July 31, 2013 CA Resolution⁵ denying the Motion for Reconsideration on the assailed Decision.

Factual Antecedents

In May 1977, MJCI, a domestic corporation with legislative franchise to operate horse race betting,⁶ hired Julieta B. Sta. Ana (Sta. Ana) as outlet teller of its off-track betting (OTB) station in Tayuman, Manila (OTB Tayuman). Because

¹ CA rollo, pp. 485-498; penned by Associate Justice Edwin D. Sorongon and concurred in by Associate Justices Hakim S. Abdulwahid and Marlene Gonzales-Sison.
² NLRC records, pp. 388-396; penned by Commissioner Pablo C. Espiritu, Jr. and concurred in by Presiding Commissioner Alex A. Lopez and Commissioner Gregorio O. Bilog III.
³ Id. at 407-408.
⁴ Id. at 265-278; penned by Labor Arbiter Melquiades Sol D. del Rosario.
⁵ CA rollo, pp. 545-547.
⁶ NLRC records, p. 43.

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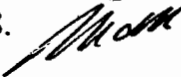
horse racing was not on a daily basis. Sta. Ana's work schedule was only for 12 days per month with shifts from 5 p.m. to 10:30 p.m. on weekdays, and 1 p.m. to 7 p.m. on weekends.⁷

As teller, Sta. Ana performed the following duties and functions:

1. Waits on [OTB] tellers' booth for customers/clients; sells betting tickets.
2. Answers bettor's inquiries, provides information on racing events, assists patrons with information, and takes bet orders.
3. Processes cash payments through terminal registers; balances registers and makes daily ticket sales reports after the races.
4. Handles cash and transactions with due diligence and honesty to the bettors and to the company as well.
5. Coordinates with the Betting Operations Department (BOD) on matters beyond the standard operating procedure of the BOD.
6. Strictly observes and implements company policies and procedures to protect the interests of the company against unscrupulous bettors and operators.
7. Reports incidents to the company on matters pertaining to the operations.
8. Submits or remits the cash sales for the day to the official collection team and/or to the assigned banks with night depository box.
9. May be assigned to different OTBs as necessary to the company's operations.
10. Performs miscellaneous job-related duties as assigned.⁸

On November 13, 2008, however, MJCI issued a Memorandum⁹ stating that its Treasury Department was discovered to have been illegally appropriating funds and lending it out to the employees of MJCI. As a result, MJCI required its officers and employees to report any loan obtained from said department or any of its personnel.

On December 21, 2008, MJCI's Internal Auditing Department (IAD) submitted its Preliminary Report¹⁰ indicating that its Agudo OTB Branch (OTB Agudo) had unaccounted check remittances amounting to ₱44,377,455.00 for the period January 10, 2008 to November 30, 2008.



⁷ Id. at 14.

⁸ Id. at 44.

⁹ Id. at 69.

¹⁰ Id. at 70-73.

On January 8, 2009, MJCI, through its Special Disciplinary Committee (SDC), formally charged¹¹ Sta. Ana with the following infractions:

x x x Julieta Sta. Ana – OTB Teller

DISHONESTY AND OTHER FRAUDULENT ACTS

[A.] Stealing or attempting to steal corporate property or money/corporate assets – 1st offense: dismissal

[B.] Malversation – 1st offense; dismissal

[C.] Engaging/conniving in anomalous transactions – 1st offense: dismissal¹²

In her Explanation,¹³ Sta. Ana denied committing any offense. She contended that even prior to the takeover of the new management of MJCI, she had been engaged in the lending business to augment her income.

Later, MJCI served upon Sta. Ana a Notice of Investigation¹⁴ reiterating the accusations against her, and narrating the circumstances surrounding her case, viz.:

Initial investigation revealed that there were unaccounted shortages incurred by the Cashier Department. The Balance Sheet as of November 2008 indicated that the Cash on Hand amounted to around ₱198 million; actual counting of the cash in vault revealed, however, that the actual amount is only around ₱3.1 million. At the center of this irregularity and/or fraud is Josephine Tejada.

It has been reported that Josephine Tejada, without authority, has been lending large amount [sic] of money to some MJCI personnel using corporate funds. It has likewise been reported that you [Sta. Ana] were abetting Josephine Tejada in the said unauthorized lending or that you yourself has also been lending to some MJCI personnel using corporate funds and without any authority from management.¹⁵

The Notice further informed Sta. Ana of her 30-day suspension without pay effective January 16, 2009.

In her Answer,¹⁶ Sta. Ana averred that she did not know anything regarding MJCI's unaccounted money and that her suspension was unjust. She maintained that she did not violate any company rule by engaging in the lending business.

¹¹ Id. at 82-88.

¹² Id. at 86.

¹³ Id. at 26.

¹⁴ Id. at 91-92.

¹⁵ Id. at 91.

¹⁶ Id. at 93.

On January 30, 2009, Sta. Ana attended the hearing conducted by MJCI.¹⁷

Sta. Ana and Josephine Tejada (Tejada), also submitted a Joint Affidavit¹⁸ dated January 20, 2009. Therein, Tejada, MJCI's Assistant Head/Cashier, Treasury Department, denied doing business with Sta. Ana while Sta. Ana asserted that she had been in the money lending business for 15 years, or even prior to the takeover by the new management of MJCI, and that her capital was sourced from the sale of her fishing boats.

Sta. Ana likewise submitted a Supplement Affidavit¹⁹ dated February 2, 2009 alleging that in August 2008, Benjie Sunga (Sunga) proposed to borrow money from her but since she could not personally attend to him, she requested Tejada to give Sunga the money he needed. The following day, she paid Tejada the amount the latter lent to Sunga. According to Sta. Ana, that was her only transaction with Tejada.

In its February 13, 2009 Report,²⁰ the SDC found that Sta. Ana extended loans to the employees of MJCI during office hours using its personnel as messenger. It further stated that on one occasion, Sta. Ana used corporate funds without MJCI's authority, and with the assistance of Tejada.²¹

Consequently, the SDC found Sta. Ana guilty of conspiring to defraud, illegally take funds, and cause irreparable damage to MJCI; as such, MJCI lost its trust on her. It also declared that even granting that there was no conspiracy, Sta. Ana, nonetheless, committed gross inexcusable negligence for failure to perform her duties and protect the interest of MJCI. SDC recommended the dismissal of Sta. Ana and the filing of criminal cases for qualified theft and other appropriate charges.

On February 16, 2009, MJCI issued a Notice of Termination²² to Sta. Ana.

On February 25, 2009, Sta. Ana filed a Complaint²³ for illegal dismissal and payment of actual, moral and exemplary damages, and attorney's fees against MJCI/Atty. Reyno, its President.

In her Position Paper,²⁴ Sta. Ana averred that she had been in the service for 31 years prior to her dismissal. She stressed that she had bank deposits, real

¹⁷ Id. at 104.

¹⁸ Id. at 95-96.

¹⁹ Id. at 28.

²⁰ Id. at 98-126.

²¹ Id. at 123.

²² Id. at 148.

²³ Id. at 1-3.

²⁴ Id. at 12-24.

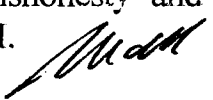
properties and fishing business to fund her lending business; and, the fact that she lent money to her co-employees is not proof that she used MJCI's funds for her business. She further insisted that there was no company rule prohibiting employees from engaging in their own businesses. In addition, Sta. Ana contended that she had no direct access to her employer's money; thus, she could not have stolen it. She pointed out that she never incurred a shortage in remitting the income of her OTB Branch or the OTB Tayuman Branch. Lastly, Sta. Ana stated that her one-time request for Tejada to accommodate Sunga is not evidence of any complicity with Tejada. Similarly, she should not be dragged into the controversy in the Cashier/Treasury Department of MJCI just because she was a "*kumare*" of Tejada.

On the other hand, MJCI/Atty. Reyno countered in their Position Paper²⁵ that it was incredible that the money that Tejada advanced to Sunga came from Tejada's own fund. They insisted that the salary of Sta. Ana (of ₱6,700.00 per month), even including that of Tejada, was insufficient to fund a money lending business; hence, the only logical conclusion was that the amount lent to Sunga came from MJCI's funds.

MJCI/Atty. Reyno remained firm that Sta. Ana committed dishonesty and connived with Tejada in an anomalous transaction. They further declared that in its Report²⁶ dated April 22, 2009, the SDC reiterated the charge against Sta. Ana of operating a lending business and using a personnel of MJCI as conduit even during office hours. That Sta. Ana supposedly used MJCI personnel in her business was derived from the statements of two employees of MJCI, namely, Ramon Santos (Santos) and Ramon Pimentel (Pimentel).

Later, Sta. Ana argued in her Reply²⁷ that MJCI/Atty. Reyno maliciously and hastily concluded that she was in cahoots with Tejada based only on the single transaction relating to Sunga. She also denied using MJCI's personnel as conduit during office hours; she pointed out that considering her office schedule, she had enough free time to engage in a lending business.

For their part, MJCI/Atty. Reyno attached in their Reply²⁸ the Affidavit²⁹ of Sunga alleging that Sta. Ana advised him to get money from Tejada. Thus, MJCI/Atty. Reyno maintained that Sta. Ana and Tejada were business partners, and they committed dishonesty and connived in perpetrating an anomalous transaction against MJCI.



²⁵ Id. at 42-68.

²⁶ Id. at 149-162.

²⁷ Id. at 170-176.

²⁸ Id. at 177-180.

²⁹ Id. at 181.

The parties filed their respective Rejoinders³⁰ reiterating the contentions in their Position Papers and Replies.

Ruling of the Labor Arbiter

On September 28, 2009, the LA dismissed the Complaint for lack of merit. He declared that Sta. Ana conspired with the other tellers against MJCI by issuing reports intended to conceal discrepancies in the remittance which resulted in the unlawful taking of MJCI's funds, and that the money obtained by Sta. Ana was used in her lending business.

The LA noted that Sta. Ana claimed that her capital was sourced from the proceeds of the sale of her fishing vessels two years ago; yet, she also alleged that she started her lending business 15 years prior to the takeover of the new management. The LA also concluded, based on the declarations of two employees, that the amounts they borrowed from Sta. Ana were delivered by an employee of MJCI, that Sta. Ana had used an MJCI's employee and company time in her business.

Lastly, the LA held that Sta. Ana's salary alone could not support her lending business. He also decreed that the filing by MJCI of criminal cases against Sta. Ana proved its loss of trust and confidence in her, a valid ground for dismissal from work.

Ruling of the National Labor Relations Commission

The NLRC affirmed the LA Decision. It ruled that MJCI validly dismissed Sta. Ana for loss of trust and confidence; that although Sta. Ana might not have been directly involved in the discrepancies of the remittances and in the preparation of reports to cover up such discrepancies, she was nonetheless a recipient of the stolen money which she used in her lending business; that Sta. Ana's claim that her lending business was funded by the sale of her fishing vessels two years ago contradicted her declaration that she commenced her business 15 years earlier; and that Sta. Ana's statement, anent her co-employees who had loans from her, did not indicate the dates when the borrowers obtained their loans from Sta. Ana.

Furthermore, the NLRC decreed that conspiracy between Sta. Ana and Tejada was established by Sunga's admission that the money he borrowed from Sta. Ana came from Tejada; that Sta. Ana deliberately engaged in a lending business and used corporate funds without MJCI's authority; and that the filing of a criminal case against Sta. Ana proved the employer's loss of trust and confidence

³⁰ Id. at 183-201.



in her.

Lastly, the NLRC held that Atty. Reyno must be dropped as party-respondent because there was no showing that he acted maliciously in furtherance of any illegal act of MJCI. It also affirmed the finding of the LA that MJCI complied with the procedural requirements in dismissing Sta. Ana.

On April 30, 2010, the NLRC denied the Motion for Reconsideration filed by Sta. Ana.

Ruling of the Court of Appeals

Sta. Ana filed with the CA a Petition for *Certiorari* contending that the NLRC committed grave abuse of discretion amounting to lack or excess of jurisdiction when it ruled that she was validly dismissed from work.

On July 11, 2012, the CA affirmed the NLRC Resolutions.

The CA held that Sta. Ana regularly handled a large amount of money belonging to MJCI; thus, she occupied a position of trust. The CA gave credence to Sunga's Affidavit where he declared that Sta. Ana told him that Tejada was her (Sta. Ana) business partner. The CA further ruled that it could not see how Sta. Ana, with her meager salary, could finance her lending business. It likewise sustained the view that Sta. Ana's statement that she funded her business from the sale of her fishing boats two years ago contradicted her assertion that her lending business commenced 15 years earlier.

In sum, the CA held that Sta. Ana connived with Tejada in stealing MJCI's funds and using it to finance her lending business.

On July 31, 2013, the CA denied Sta. Ana's Motion for Reconsideration.

Undeterred, Sta. Ana filed this Petition for Review on *Certiorari* raising the following grounds:

THE RESPONDENT COURT OF APPEALS – 6TH DIVISION COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION IN AFFIRMING THE DECISION AND THE RESOLUTION OF THE NATIONAL LABOR RELATIONS COMMISSION[;]

THE RESPONDENT COURT OF APPEALS – 6TH DIVISION COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS



OF JURISDICTION IN FINDING THAT PETITIONER WAS LEGALLY DISMISSED ON THE BASIS OF THE LONE TESTIMONY OF MR. BENJIE SUNGA AND ON THE SPECIAL DISCIPLINARY COMMITTEE REPORT DATED FEBRUARY 13, 2009[; AND,]

THE RESPONDENT COURT OF APPEALS – 6TH DIVISION COMMITTED GRAVE ABUSE OF DISCRETION [AMOUNTING TO LACK] OR EXCESS OF JURISDICTION IN THEORIZING THAT PETITIONER AND THE OTHER EMPLOYEES CONSPIRED [TO COMMIT] AN OFFENSE PUNISHABLE BY DISMISSAL.³¹

Sta. Ana maintains that MJCI failed to substantiate its allegation of conspiracy between her and Tejada. She argues that the SDC found shortages in remittances in the OTB Agudo only, and not OTB Tayuman where she was assigned. She also stresses that she was never assigned to the Agudo Branch and that she had no transactions or dealings with said branch.

In addition, Sta. Ana avers that she never incurred any shortage in her remittances of the income of OTB Tayuman. She likewise claims that her relationship with Tejada as “*magkumare*” should not be used as basis to conclude that she was involved in the infraction committed by Tejada.

Sta. Ana insists that she has the financial capacity to engage in the lending business and MJCI did not conduct any investigation on her financial background. She adds that she sold her fishing boats to infuse additional capital into her business.

Furthermore, Sta. Ana asserts that she had no direct access to the vaults and bank accounts of MJCI; thus, it is impossible that she could have used its funds.

Finally, Sta. Ana contends that she did not conduct her lending business during office hours or use an MJCI’s employee as conduit thereto. She reiterates that her work schedule permitted her to conduct her lending business outside office hours, and there was no prohibition in the Employee’s Handbook regarding extending of loans to her co-employees.

On the other hand, MJCI counters that the instant Petition for Review on *Certiorari* ascribing grave abuse of discretion against the CA must be dismissed because only questions of law may be raised in a petition under Rule 45 of the Rules of Court.

In any event, MJCI argues that the Petition lacks merit because the CA did not commit any reversible error as MJCI had sufficient basis for dismissing Sta.

³¹ *Rollo*, p. 17.

Ana on the ground of loss of trust and confidence. It reiterates that Sta. Ana stole money from MJCI, and she abetted the commission of defalcation by Tejada in furtherance of their illegal lending business.

In a Resolution³² dated October 13, 2014, the Court gave due course to the Petition and required the parties to submit their respective memoranda.

Issue

Whether Sta. Ana was validly dismissed on the ground of loss of trust and confidence.

Our Ruling

The Petition is with merit,

As a rule, a petition under Rule 45 covers only questions of law as the factual findings of the CA are final and binding upon the Court. However, this rule allows certain exceptions including a situation where the CA manifestly overlooked undisputed relevant facts, which if properly considered would support a different conclusion,³³ as in this case. In particular, the uniform finding of the LA, NLRC, and CA that Sta. Ana was validly dismissed is unjustified because salient facts were overlooked, which, if properly considered, will prove the absence of just cause in dismissing her from work.

It is settled that the employer has the right to dismiss an employee for just causes, which include willful breach of trust and confidence. Complementary to such right is the burden of the employer to prove that the employee's dismissal is for a just cause, and the employer afforded the latter due process before termination.³⁴

In this regard, to legally dismiss an employee on the ground of loss of trust, the employer must establish that a) the employee occupied a position of trust and confidence, or has been routinely charged with the care and custody of the employer's money or property; b) the employee committed a willful breach of trust based on clearly established facts; and, c) such loss of trust relates to the employee's performance of duties.³⁵ In fine, there must be actual breach of duty

³² Id. at 632-633.

³³ *Pasos v. Philippine National Construction Corporation*, 713 Phil. 416, 434 (2013).

³⁴ *Lagahit v. Pacific Concord Container Lines*, G.R. No. 177680, January 13, 2016.

³⁵ *Manila Jockey Club, Inc. v. Trajano*, 712 Phil. 254, 267 (2013).

on the part of the employee to justify his or her dismissal on the ground of loss of trust and confidence.³⁶


In *Manila Jockey Club, Inc. v. Trajano*,³⁷ where therein respondent was also a teller working for MJCI, like Sta. Ana, the Court determined that the position of a selling teller is a position of trust and confidence since it requires the handling and custody of tickets issued and bets made in the teller's station. Thus, Sta. Ana undoubtedly occupied a position of trust and confidence.

However, while Sta. Ana occupied such position of trust and MJCI afforded her procedural due process, her dismissal is still unwarranted because MJCI failed to discharge its burden of proving that she willfully breached its trust, and such loss of trust relates to Sta. Ana's performance of duties.

To recall, MJCI issued a formal charge against Sta. Ana for dishonesty and other fraudulent acts for stealing or attempting to steal corporate assets; malversation; and engaging in anomalous transactions. In its Report dated February 13, 2009, the SDC specifically accused her of having used a co-employee in her personal business during office hours; and, having lent money to another using MJCI's fund without authority, to wit:

x x x The SDC found other irregularities prejudicial to MJCI. [T]ejada and Purificacion were extending unauthorized loans to MJCI personnel using corporate funds. This was confirmed by Atty. Juan S. Baun and Mr. Noli Valencia. Ms. Purificacion also admitted overpaying late dividends and not reporting the same. **Another teller, x x x Julieta Sta. Ana has a personal lending operation within MJCI using MJCI personnel as conduit and messenger apparently during office hours. [In] one instance, she also used corporate funds without authority and with the assistance of x x x Tejada to lend to Benjamin Sunga.**³⁸ (Emphasis supplied)

These allegations, however, are not supported by clear and convincing evidence.

One, MJCI argued that Sta. Ana used its personnel in her lending business during office hours. It will be recalled that Sta. Ana was dismissed on February 16, 2009 pursuant to the SDC Report dated February 13, 2009. Notably, however, the specific statements as regards the accusation that Sta. Ana used in her lending business an MJCI employee were mentioned for the first time only in the SDC Report dated April 22, 2009, as follows: 

³⁶ *Cocoplans, Inc. v. Vilopando*, G.R. No. 183129, May 30, 2016.

³⁷ *Supra* note 35 at 268.

³⁸ NLRC records, p. 123.

x x x RAMON SANTOS

Mr. Santos is a Racetrack and Starting Gate Supervisor of MJCI. In his testimony, he admitted obtaining [a] loan in the amount of ₱20,000.00, not from Tejada but from Sta. Ana. The loan was received [in] October 2008, in time for the enrolment of his children. The loan [was] delivered by an MJCI employee, driver Lito Maingat.

x x x RAMON PIMENTEL

Mr. Pimentel is the Head of the Food and Beverages at SLLBP, Carmona, Cavite. When asked if he obtained any loan from any personnel of MJCI, he replied that while in Carmona, Cavite, he asked for [a] loan in the amount of ₱4,000.00 from Sta. Ana through Atty. Juan Baun. The money was handed [to him] by Lito Maingat, less 5% for the interest. He paid the loan with two post-dated checks.³⁹

The statements of Santos and Pimentel only proved that they borrowed money from Sta. Ana, and the same was delivered by Maingat. Significantly, there was no narration as to when the money was delivered. Otherwise stated, there is no evidence that Sta. Ana engaged the services of an MJCI personnel during office hours. Clearly, to accuse Sta. Ana of having used MJCI's personnel in her business during office hours remains a bare allegation without corresponding proof.

Also worth stressing is the fact that MJCI did not refute Sta. Ana's assertion that the company rules do not prohibit its employees from engaging in their own personal businesses. Likewise, the investigation conducted by MJCI pertained only to OTB Agudo, which was not the branch where Sta. Ana was assigned. Moreover, there was no showing that Sta. Ana's branch (OTB Tayuman) had incurred any shortage in its remittance to MJCI.

Two, MJCI alleged that in one occasion and with Tejada's assistance, Sta. Ana used its money to lend to Sunga. This accusation is pursuant to the Affidavit of Sunga, the pertinent portions of which read:

1. I am the Fleet Head of the Manila Jockey Club, Inc. ('MJCI') and I have been serving MJCI as such since May 2003.
2. Sometime June 2008, I approached Ms. Julieta Sta. Ana to x x x borrow some money from her x x x
3. When I talked to Ms. Sta. Ana on the phone regarding my need to borrow the amount of ₱10,000.00, she said that she did not have that amount at that time. She advised me that I can get the money from her business partner, Ms. Josephine Tejada at the Cashier Department of MJCI in Strata 100, as they have an arrangement for such loan requests.

³⁹ Id. at 151.

4. Ms. Sta. Ana said I can pay her and she will settle with Ms. Tejada.
5. A few days after I talked to Ms. Sta. Ana, I went to see Ms. Tejada and she gave me personally the ₱10,000.00 I needed. She said that she has already talked to Ms. Sta. Ana regarding the loan.
6. I have already paid in full the amount I borrowed from Ms. Tejada and Ms. Sta. Ana which I paid on installments.⁴⁰

According to Sunga, he borrowed money from Sta. Ana but it was Tejada who gave it to him; and Sta. Ana told him that Tejada was her business partner. However, there was neither allegation nor proof that the amount involved was derived from the funds of MJCI.

The mere allegation that Tejada is the business partner of Sta. Ana does not by itself establish that Tejada is involved in the business of Sta. Ana. Even granting for argument's sake that Tejada is involved in said business, no evidence worthy of credence was adduced showing that this business derived capital from the funds of MJCI.

The LA, NLRC, and the CA concluded that Sta. Ana was in conspiracy with Tejada because a) she made an inconsistent declaration that she funded her business from the sale of her fishing vessels two years ago (from the time she executed her Affidavit dated February 2, 2009) yet she also stated that she started her business 15 years prior to the takeover of MJCI's new management; and b) Sta. Ana's salary was insufficient to support her business.

Such conclusion, however, is untenable.

From the narration of the SDC, during the hearing, Sta. Ana admitted owning fishing vessels as evidenced by a permit to operate them; also, the SDC stated that Sta. Ana confirmed that these vessels were eventually sold and their proceeds were used in her business. This only means that MJCI, through the SDC, was fully aware that the sale of Sta. Ana's fishing vessels was for the purpose of infusing additional capital into her lending business.

In addition, from the time Sta. Ana was under investigation, she made readily available documents to justify the amount of her capital for her lending business. As noted by the SDC in its February 13, 2009 Report:

During the formal hearing, [Sta. Ana] submitted additional documents to show her capability to engage in loan operations: These are: (1) Certification from PS Bank that x x x Sta. Ana. has existing housing loan with outstanding

⁴⁰ Id. at 181.



balance of ₱439,421.65, (2) Permit to Operate fishing vessels issued by [the] Maritime Industry Authority, (3) various statement of accounts from BPI, HSBC, Citibank, BDO, Standard Chartered, Metrobank credit cards. The three fishing vessels were already sold, according to her, and she used the proceeds in her lending business.⁴¹

In her Position Paper, Sta. Ana attached the Certification⁴² from Philippine Savings Bank (PSBank) indicating that she already paid interest and the principal amount of ₱80,984.15 and ₱560,578.35 respectively, and her outstanding balance to PSBank was ₱439,421.65. Likewise, the annotations⁴³ in Transfer Certificate of Title No. T-389599 under the name of Sta. Ana and her spouse proved that they had been mortgaging their real property since 2003. The latest of such mortgage was on August 23, 2007 to secure the loan of One Million Pesos from PSBank.

Based on the foregoing, Sta. Ana derived capital from the bank loans she obtained secured by real estate mortgage on her property; and from the income of her fishing business; later, her fishing vessels were sold and the proceeds thereof were infused as additional capital in her lending business. Simply put, she had funds derived from sources other than her monthly salary; and, there was no direct linkage shown between Sta. Ana's business and the alleged stolen funds of MJCI.

It is a cardinal rule that loss of trust and confidence should be genuine, and not simulated; it must arise from dishonest or deceitful conduct, and must not be arbitrarily asserted in the face of overwhelming contrary evidence.⁴⁴ While proof beyond reasonable doubt is not required, loss of trust must have some basis or such reasonable ground for one to believe that the employee committed the infraction, and the latter's participation makes him or her totally unworthy of the trust demanded by the position.⁴⁵

Here, MJCI failed to prove that Sta. Ana committed willful breach of its trust. Particularly, it failed to establish that Sta. Ana used its employee for her personal business during office hours, and used its money; without authority, to lend money to another. Hence, to dismiss her on the ground of loss of trust and confidence is unwarranted.⁴⁶

Under these circumstances, Sta. Ana is entitled to receive backwages and separation pay.

⁴¹ Id. at 115.

⁴² Id. at 31.

⁴³ Id. at 35-36.

⁴⁴ *Capili v. Philippine National Bank*, G.R. No. 204759, July 11, 2016.

⁴⁵ *Jerusalem v. Keppel Monte Bank*, 662 Phil. 676, 685-686 (2011).

⁴⁶ *Leo's Restaurant and Bar Café v. Densing*, G.R. No. 208535, October 19, 2016.

An illegally dismissed employee is entitled to two separate reliefs: full backwages and reinstatement. In such case where reinstatement is no longer an option, payment of separation pay is justified. The Court considers “considerable time,” which includes the lapse of eight years or more (from the filing of the complaint up to the resolution of the case) to support the grant of separation pay in lieu of reinstatement. Considering that about eight years had passed from the time that Sta. Ana filed her complaint on February 25, 2009 then, her reinstatement is an impractical option. Thus, instead of reinstatement, the Court grants her separation pay of one month for every year of service. As regards backwages, she is entitled to receive full backwages, which include allowances and other benefits due her or their monetary equivalent, computed from the time her compensation was withheld up to the finality of this Decision.⁴⁷

Finally, the Court finds that Sta. Ana is entitled to moral and exemplary damages as well as attorney’s fees as she prayed for in her Complaint.

The grant of moral damages is allowed where the employer acted in bad faith or in such a manner oppressive to labor.⁴⁸

During the administrative hearing, MJCI received in evidence relevant documents establishing her capacity to engage in a lending business, and proving that she did not engage in any activity to defraud MJCI. Also a plain reading of the statements of Santos and Pimentel would show that they did not explicitly declare that Sta. Ana used another employee during office hours as conduit in her business. However, despite all these clear pieces of evidence, and only on mere allegation of loss of trust, MJCI still dismissed her.

Therefore, for acting in “bad faith or such conscious design to do a wrongful act for a dishonest purpose,”⁴⁹ MJCI is liable to pay Sta. Ana ₱50,000.00 as moral damages. It is also liable to pay her ₱50,000.00 as exemplary damages to deter other employers from committing the same or similar act. At the same time, the Court awards in her favor attorney’s fees equivalent to 10% of the total monetary award as she was compelled to litigate in order to protect her rights.⁵⁰ The legal interest of 6% *per annum* shall be imposed on the total monetary awards from the finality of this Decision until its full satisfaction.⁵¹

WHEREFORE, the Petition is **GRANTED**. The Decision dated July 11, 2012 and Resolution dated July 31, 2013 of the Court of Appeals in CA-G.R. SP No. 114861 are **REVERSED and SET ASIDE**. Petitioner Julieta B. Sta. Ana is declared to have been illegally dismissed from service. Accordingly, Manila

⁴⁷ *Manila Jockey Club, Inc. v. Trajano*, supra note 35 at 273-274.

⁴⁸ *Leo’s Restaurant and Bar Café v. Densing*, supra note 46.

⁴⁹ *Id.*

⁵⁰ *Id.*

⁵¹ *Nacar v. Gallery Frames*, 716 Phil. 267, 283 (2013).




Jockey Club, Inc. is ordered to pay Julieta B. Sta. Ana the following: 1) full backwages inclusive of allowances and other benefits or their monetary equivalent, computed from February 16, 2009, the date of her dismissal, until the finality of this Decision; 2) separation pay equivalent to one month pay per year of service in lieu of reinstatement; 3) ₱50,000.00 as moral damages; 4) ₱50,000.00 as exemplary damages; and, 5) attorney's fees equivalent to 10% of the total monetary awards. These awards shall also earn legal interest at the rate of 6% *per annum* from the finality of this Decision until its full satisfaction.

SO ORDERED.


MARIANO C. DEL CASTILLO
Associate Justice

WE CONCUR:


MARIA LOURDES P. A. SERENO
Chief Justice
Chairperson


TERESITA J. LEONARDO-DE CASTRO
Associate Justice


ESTELA M. PERLAS-BERNABE
Associate Justice


ALFREDO BENJAMINS S. CAGUIOA
Associate Justice

CERTIFICATION

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



MARIA LOURDES P. A. SERENO

Chief Justice

