



Republic of the Philippines
Supreme Court
Manila

FIRST DIVISION

NOTICE

Sirs/Mesdames:

*Please take notice that the Court, First Division, issued a Resolution dated **October 7, 2020** which reads as follows:*

“GR. No. 237455 – International Skill Development, Inc. v. Felipe F. Montcalto, Jr.

RESOLUTION

Antecedents

Felipe F. Montcalto Jr. (Montcalto) was still in Saudi Arabia when Alishar Contracting Corp. (Alishar) offered him a job as administrative assistant. On May 20, 2010, Montcalto signed the Job Offer-Letter of Intent¹ with the following compensation package:

Basic Salary (Month)	-	SR.2,200.00
Living Allowance	-	SR.500.00
Project Allowance	-	SR.300.00
Contract Duration	-	5 Years Renewable
Vacation Days	-	30 Calendar Days/Yearly

Upon his return to the Philippines, petitioner International Skill Development, Inc., (ISDI) as recruitment agent for Alishar, processed Montcalto’s documents for deployment.²

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¹ *Rollo*, p. 176.

² *Id.* at 180, 181, 808.

One (1) day before departure or on August 19, 2010, ISDI and Montealto executed an employment contract³ for the latter's deployment as administrative assistant for Alishar Contracting Corporation where the compensation package was modified, except as to the basic monthly salary and vacation leave, *viz.*:

	Original Offer	Employment Contract
Basic Salary (Month)	SR.2,200.00	SR. 2,200.00
Living Allowance	SR.500	-
Project Allowance	SR.300	-
Food Allowance		SR500/month
Contract Duration	Five (5) Years Renewable	Two (2) Years
Vacation Days	30 Calendar Days/Yearly	30 days/year of service
Sick Leave	-	15 days/year of service

On August 20, 2010, Montealto departed for Saudi Arabia and commenced his employment with Alishar on the following day. After three (3) months, he became a regular employee due to his satisfactory performance.⁴

But not long after, Montealto's work situation had become unbearable. On April 26, 2011, Montealto filed a complaint with the Philippine Overseas Labor Office (POLO) docketed as File No. 09-07-8420. He complained of poor living accommodation, lack of transportation to and from the place of work, unpaid overtime and unjustified deductions from his salary. Too, he suffered maltreatment, harassment and verbal abuse from his employer, its president Ali Shar Saad Al-Otham, who even instructed him to commit illegal acts for himself or for his business associates.⁵ POLO Officer Hamdan B. Sayedy handled the case and informed Alishar of the complaint.⁶

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³ *Id.* at 177-179.

⁴ *Id.* at 7, 808.

⁵ *Id.* at 809-811.

⁶ *Id.* at 811.

The next day, Montealto suddenly fell ill and was treated at Al-Zahraa Hospital.⁷ On the same day, he received an email from Mr. Ali Shar requiring him to report back to work immediately and to explain his two (2) days absence. Any further delay would cause him to be declared as an abscondee/escapee.⁸

On April 30, 2011, Montealto sent a letter explaining that he was absent because he was sick and undergoing medical treatment. He also mentioned that he called the office about his situation and a certain Mrs. Reham Khalid received his message to be relayed to Mr. Ali Shar.⁹

On the same day, Alishar reported him to the Jeddah Ministry of Labor as an abscondee. The report was later published in the national publication in Saudi Arabia.¹⁰

On May 1, 2011, Montealto went to Al-Zahraa Hospital but was denied admission because his medical insurance was cancelled. Immediately, he informed Alishar and ISDI of the unlawful termination of his health coverage and asked to reinstate the same but his request was denied.¹¹

Unable to endure the pressure, on the same day, Montealto sent his letter of rescission of employment contract via registered mail to Alishar which the latter refused to receive. He also sent copy of the letter to POLO. The following day, he informed ISDI of his termination of employment but ISDI refused to comment on his allegations.¹²

As he was reported as an abscondee, the Philippine Consul General provided him temporary shelter.

Before the POLO, Montealto and Alishar representatives met on two (2) occasions but failed to reach any settlement.

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⁷ *Id.* at 186-188.

⁸ *Id.* at 811-812.

⁹ *Id.* at 188.

¹⁰ *Id.* at 189-194, 221, 222.

¹¹ *Id.* at 196, 199, 812.

¹² *Id.* at 204-206.

On May 8, 2011, Montealto executed a sworn statement before the Philippine Consulate to recount what transpired before, during, and after he commenced work at Alishar until he sought assistance with the consulate.¹³

On May 25, 2011, Montealto sought the assistance of the Philippine Overseas Employment Administration (POEA) in Manila to request ISDI for subsistence such as food, transportation, communication, and living allowance pending resolution of his case in Saudi Arabia. Labor attache Vicente M. Cabe forwarded his request to POEA Administrator Carlos J. Cao, Jr..¹⁴

By Letter dated June 8, 2011,¹⁵ ISDI informed POEA that it advised Alishar and Montealto to settle the case amicably before the POLO. It also encouraged Montealto not to return to Manila until his complaint was resolved. On the request for assistance, it would still evaluate the same, although Montealto never received any help from ISDI.

After the failed settlement before the POLO, on December 12, 2011, Montealto filed with the POEA Adjudication Office a complaint for breach of contract against Alishar, docketed POEA Case No. DAE 11-12-1800. There, he claimed for repatriation, return of his passport, money claims and imposition of sanctions against Alishar for violation of Migrant Workers Act. Alishar failed to answer despite requesting for extension to file the same.¹⁶

Upon advice of his Saudi lawyers and while the POEA case was pending, on August 9, 2012, Montealto also filed a complaint against Alishar before the Primary Commission for Settlement of Labor Disputes in Jeddah to seek for the return of his passport, final exit visa, money claims, return ticket and other benefits.¹⁷ However, the Commission ruled against Montealto, applying its own labor system. It ruled that his absence from

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¹³ *Id.* at 209-213.

¹⁴ *Id.* at 215-216.

¹⁵ *Id.* at 217.

¹⁶ *Id.* at 815-816.

¹⁷ *Id.* at 221, 222, 231.

work was not justified. While the Commission ordered payment of his salary for the month of April 2011, at the same time it also ordered Montealto to pay damages to his employer for his supposed unjustified termination of contract equivalent to the unexpired portion of his contract and to bear the expenses for his return to the Philippines.

As for his complaint before the POEA, the same was resolved by POEA Administrator Hans Leo J. Cacdac under Order dated December 26, 2013,¹⁸ viz.:

WHEREFORE, premises considered, for the established violation of Section 1(a), Rule II, Part VII of the Rules and Regulations Governing the Recruitment and Employment of Land-based Overseas Workers, respondent foreign principal/employer ALISHAR CONTRACTING CORPORATION is hereby disqualified from participating in the overseas employment program of the government.

Include the name of respondent foreign principal/employer ALISHAR CONTRACTING CORPORATION in the list of foreign principals/employers disqualified to participate in the overseas employment program unless cleared by the Administration or the penalty imposed is lifted.

SO ORDERED.¹⁹

POEA noted that Alishar failed to answer the charges against it despite notice and grant of extension within which to respond thereto. Consequently, Montealto's charges of severe maltreatment, harassment, poor accommodation, unpaid wages and unjustified salary deductions against Alishar were deemed admitted. However, it did not rule on the money claims and issue of illegal dismissal, the same being within the jurisdiction of the National Labor Relations Commission. Alishar later appealed to the Department of Labor and Employment (DOLE) but it was denied per Resolution²⁰ dated August 4, 2014.

Meanwhile, after more than two (2) years of waiting, on January 5, 2014, Montealto was finally repatriated using the new passport issued by the Philippine Consulate in Jeddah.

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¹⁸ *Id.* at 228-234.

¹⁹ *Id.* at 234.

²⁰ *Id.* at 508-511.

On March 26, 2014, Montealto filed with the National Labor Relations Commission (NLRC) a complaint for constructive dismissal, discrimination, maltreatment, and money claims entitled *Felipe Fernandez Montealto, Jr. vs. International Skill Development, Inc., Alishar Contracting Corporation and Levi S. De Mesa*, docketed NLRC NCR Case No. (L)03-03595-14.

Respondents therein moved to dismiss the complaint on ground of *res judicata* and forum shopping as the Saudi Commission for Settlement of Labor Disputes had already denied Montealto's claims.

The Labor Arbiter's Ruling

By Decision²¹ dated December 19, 2014, Labor Arbiter Clarissa G. Beltran-Lerios (Labor Arbiter Beltran-Lerios) ruled that her office had jurisdiction over the complaint and that Montealto was constructively dismissed, thus:

WHEREFORE, premises considered, judgment is hereby rendered finding respondents International Skill Development, Inc. (ISD) and Alishar Contracting Corp. jointly and severally liable to pay complainant, Felipe Montealto Jr. the amount of Sixteen Thousand Two Hundred Saudi Rials (SR16,200.00) or its Philippine peso equivalent at the time of payment plus ten percent of such aggregate amount as attorney's fees.

SO ORDERED.²²

Labor Arbiter Beltran-Lerios opined that *res judicata* insofar as the decision of the Saudi Commission is concerned applies only to Montealto's money claims for unpaid salary, overtime pay, recovery of illegal deductions and other benefits. His alleged illegal dismissal was not put in issue, much less, resolved by the said Commission. Thus, she found Montealto to have been illegally dismissed and awarded him damages based on Section 10 of Republic Act No. 10022 (RA 10022), otherwise known as the Migrant Workers and Overseas Filipinos Act of 1995 which states that overseas

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²¹ *Id.* at 522-530.

²² *Id.* at 530.

workers who were terminated without just, valid, or authorized cause “shall be entitled to the full reimbursement of his placement fee with interest of twelve (12%) per annum, plus his salaries for the unexpired portion of his employment contract or for three (3) months for every year of the unexpired term, whichever is less.”

The NRLC’s Ruling

Acting on the parties’ twin appeals, the NLRC, under Decision²³ dated July 15, 2015, reversed, thus:

WHEREFORE, premises considered, the appeal filed by complainant is **PARTIALLY GRANTED** in that respondents are hereby directed to pay complainant his unpaid salary corresponding to the services he rendered for the month of April 2011. On the other hand, the appeal filed by respondents is **GRANTED**. Accordingly, the assailed Decision is hereby **REVERSED AND SET ASIDE** and another one entered finding complainant not to have been dismissed from his employment by respondents.

The Computation Division of this Office is hereby directed to make the necessary computation of the monetary award granted to complainant, particularly his unpaid salary corresponding to the services he rendered for the month of April 2011, which computation shall form an integral part of this decision.

SO ORDERED.²⁴

The NLRC ruled that *res judicata* did not apply to Montealto’s money claims as the Saudi Commission did not have jurisdiction over the same. The POEA approved the employment contract which was executed in the Philippines and following the principle of *lex loci contractus*, our labor laws, rules and regulations should apply. Thus, the NLRC granted Montealto’s claim for unpaid salary for the month of April 2011 as the same was not shown to have been paid.

But the NLRC dismissed Montealto’s charge of illegal dismissal for his alleged failure to establish that he was indeed dismissed from employment. His other money claims were also dismissed for alleged lack of substantial evidence.

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²³ *Id.* at 624-640.

²⁴ *Id.* at 638.

Montealto moved to reconsider the decision but it was denied under Resolution dated August 28, 2015.

On December 14, 2015, the NLRC's award in Philippine peso equivalent of P33,912.00 representing Montealto's salary for the month of April 2011 was released to him through his counsel. Subsequently, the cash bond of ISDI was already released.

The Court of Appeals' Ruling

The parties all went to the Court of Appeals *via* their respective petitions for *certiorari*. In its assailed Decision dated October 27, 2017,²⁵ the Court of Appeals ruled in favor of Montealto, *viz.* :

WHEREFORE, the petition is PARTIALLY GRANTED.

The July 15, 2015 Decision and the August 28, 2015 Resolution both rendered by the NLRC (First Division) in NLRC NCR Case No. OFW (L) 03-03595-14/NLRC LAC No. OFW (L) 04-000345-15 are REVERSED AND SET ASIDE and a new one is hereby issued ordering private respondents International Skill Development, Inc. and Alishar Contracting Corporation to JOINTLY and SEVERALLY PAY petitioner the following:

- a) separation pay (in lieu of reinstatement) computed from [petitioner's] first day of employment up to April 26, 2011 at the rate of one (1) month pay per year of service;
- b) backwages from April 26, 2011 until the finality of the decision;
- c) moral damages of Php. 100,000.00;
- d) exemplary damages of Php. 100,000.00; and
- e) attorney's fees equivalent to ten percent (10%) of the total award. The monetary awards herein granted shall earn legal interest at the rate of six percent (6%) per *annum* from the date of the finality of this Decision until fully paid.

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²⁵ *Id.* at 666-686.

In this regard, the case is hereby REMANDED to the National Labor Relations Commission for the proper computation of the backwages and separation pay due to the petitioner, conformably with this Decision. The Commission is further DIRECTED TO RESOLVE the issue of backwages and separation pay within sixty (60) days from its receipt of a copy of this Decision and to submit to this Court a report of its compliance herewith within ten (10) days from the rendition of its resolution. Costs against private respondents.

SO ORDERED.²⁶

The Court of Appeals found that Montealto was constructively dismissed. He was compelled to terminate his employment contract because of the series of discriminatory, insensible, and disdainful acts committed by Alishar, to wit: (1) per Letter of Intent, Alishar initially offered a monthly salary of SR3,000.00 but later cut it down to SR2,700.00 in the employment contract, (2) while he was hired as an administrative assistant, Alishar secured him a visa category of Mason, (3) he was not given proper living facilities in Saudi Arabia contrary to the conditions in violation of his employment contract, (4) Alishar reported him to the Saudi Police as an abscondee after learning that Montealto sought assistance from POLO and despite knowing full well that he was absent because he was ill and being treated in the hospital, (5) Alishar also cause the publication in the newspaper that he was an abscondee, (6) after reporting him as an abscondee, Alishar cancelled his medical insurance which prevented him availing of medical treatment in the hospital.

As for his money claims, the Court of Appeals ruled that his employment contract indicating a total salary of SR2,700.00 prevailed over the job-offer he previously signed and the certificate of salary issued by Alishar. Alishar's documents nonetheless showed that the total salary due him was actually SR3,000.00. But insofar as his claims for transportation expense and overtime pay, the same were rejected for lack of proof.

By Resolution dated February 9, 2018, the Court of Appeals denied the companies' motion for reconsideration, for lack of merit.

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²⁶ *Id.* at 684-685.

The Present Petition

ISDI now seeks affirmative relief from the Court. It asserts that Montealto was not constructively dismissed from employment. He intentionally stopped working and later on terminated his contract. He failed to substantiate his claim that his resignation was attributable to Alishar. He was even found guilty of terminating his employment contract by the Saudi Commission. Also, he violated the NLRC rules of procedure when he failed to amend his original complaint from illegal dismissal to constructive dismissal which he merely belatedly asserted in his position paper before the Labor Arbiter. Montealto's total monthly salary was not SR3,000.00. Both the job-offer and employment contract show that his basic monthly salary was only SR2,200. The additional SR500 for living allowance/food allowance and SR300 project allowance were merely extra benefits and do not form part of his salary.

ISDI also questions the application of the Labor Code to the award of separation pay and backwages in favor of Montealto. In the alternative though, it posits that if ever Montealto's money claims be found meritorious, it is the Migrant Workers and Overseas Filipinos Act and Montealto's employment contract which should be applied instead.

Finally, petitioner imputes error on the Court of Appeals for awarding moral and exemplary damages and attorney's fees for lack of factual basis.

In his Comment, respondent Montealto argues that he was able to prove the maltreatment and abuse which Alishar did to him. This made his continued employment so unbearable he was forced to sever his employment from the company. Alishar's bad faith even got magnified when it reported him as abscondee and unjustly terminated his medical insurance after it learned of his complaint before the POLO. The POEA's factual findings in the breach of contract complaint, as affirmed by the DOLE, support his charge of harassment and abuses.

He asserts that he is entitled to a monthly salary of SR3,000.00 which Alishar in fact paid him but only from August 2010 and September 2010. It was cut down to SR2,500.00 during the succeeding months, except in March 2011 when he received SR2,750.00.

Issue

Did the Court of Appeals commit reversible error when it ruled that Montealto was constructively dismissed?

Ruling

Montealto was constructively dismissed.

ISDI claims that Montealto was not constructively dismissed as the latter himself had repeatedly admitted that he voluntarily severed his employment with Alishar. In fact, the Saudi Labor Commission found that it was he who voluntarily terminated his employment and because of this finding, his money claims, except his salary for April 2011, were dismissed.

His complaint for illegal dismissal was inconsistent with his belated claim of constructive dismissal in his position paper. This change of theory, sans any amendment of his original complaint violated the NLRC rules of procedure. Consequently, his claim for constructive dismissal should not prosper.

The argument lacks merit.

The employment contract between Montealto and ISDI was executed and entered into in the Philippines. Following the *lex loci contractus* principle or the law of place of making, cases that may arise from the employment contract should be decided based on our labor laws and allied laws and rules and regulations, particularly the Migrant Workers and Overseas Employment Act of 1995, as amended considering that Montealto was an overseas worker.

In *Triple Eight Integrated Services, Inc. v. National Labor Relations Commission*,²⁷ the Court explained the application of the *lex loci contractus* principle to employment contracts executed in the Philippines, viz.:

First, established is the rule that *lex loci contractus* (the law of the place where the contract is made) governs in this jurisdiction. **There is no question that the contract of employment in this case was perfected here in the Philippines. Therefore, the Labor Code, its implementing rules and regulations, and other laws affecting labor apply in this case. Furthermore, settled is the rule that the courts of the forum will not enforce any foreign claim obnoxious to the forum's public policy.** Here in the Philippines, employment agreements are more than contractual in nature. The Constitution itself, in Article XIII, Section 3, guarantees the special protection of workers, to wit:

“The State shall afford full protection to labor, local and overseas, organized and unorganized, and promote full employment and equality of employment opportunities for all.

It shall guarantee the rights of all workers to self-organization, collective bargaining and negotiations, and peaceful concerted activities, including the right to strike in accordance with law. They shall be entitled to security of tenure, humane conditions of work, and a living wage. They shall also participate in policy and decision-making processes affecting their rights and benefits as may be provided by law. (Emphasis supplied)

Hence, regardless of the factual findings of the Saudi Commission in the case filed before it by Montealto, our labor tribunals are not precluded from making its own factual determination in the cases initiated before them by Montealto in accordance with our own labor laws and other related laws and rules and regulations.

As for his cause of action for constructive dismissal, whether he had accurately referred to it as such or had generically referred to it as illegal dismissal in the printed form he filled out in the office of the labor arbiter is immaterial. It is his factual allegations in his position paper which truly determine his cause of action against his former employer. The position paper in labor cases is the functional equivalent of a complaint in civil cases.

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²⁷ 359 Phil. 955, 968-969 (1998).

Constructive dismissal is a dismissal in disguise, nay, a cessation of work because continued employment has been rendered impossible, unreasonable, or unlikely, as when there is a demotion in rank or diminution in pay or both or when a clear discrimination, insensibility, or disdain by an employer becomes unbearable to the employee. The test of constructive dismissal is whether a reasonable person in the employee's position would have felt compelled to give up his position under the circumstances. It is an act amounting to dismissal but is made to appear as if it were not. In fact, the employee who is constructively dismissed might have been allowed to keep coming to work. The law recognizes and resolves this situation in favor of employees in order to protect their rights and interests from the coercive acts of the employer.²⁸

As aptly found by the Court of Appeals, Montealto was forced to resign because of Alishar's bad faith and oppressive treatment of him, his salary was abruptly cut down, his living conditions were unbearable, he was made to do illegal acts for his employers and business associates, he was reported as abscondee after his employer learned of the complaint he filed before the Philippine consulate. Worse, his medical insurance was cancelled when he was badly in need of medical treatment due to the anxiety and stress he experienced in the hands of his employer. These unfortunate experiences created a hostile working environment that compelled Montealto to terminate his employment. This precisely is the essence of constructive dismissal.

Montealto is entitled to damages and attorney's fees

In case of termination of overseas employment without just, valid, or authorized cause, Section 10 of the Migrant Workers and Overseas Filipinos Act of 1995, as amended awards full reimbursement of placement fee and the deductions with interest, plus salaries for the unexpired portion of the employment contract.²⁹

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²⁸ *CRC Agricultural Trading v. NLRC*, 623 Phil. 789, 799-800 (2009).

²⁹ The clause "or for three (3) months for every year of unexpired term, whichever is less" in Section 7 of RA 10022 amending Section 10 of the Migrant Workers and Overseas Employment Act was declared unconstitutional in *Sameer Overseas Placement Agency Inc. v. Cabiles*, 740 Phil. 403, 427 (2014).

ISDI nonetheless claims that the monetary award to Montealto, if at all, should be based only on his salary rate of SR2,200.00 and not SR2,700.00 as indicated in the employment contract, which actually included SR500 food allowance.

We do not agree.

In computing the award due to an illegally dismissed employee, salary includes all other benefits guaranteed in the employment contract which were not made contingent upon the performance of any task or the fulfilment of any condition. In *Tangga-an v. Philippine Transmarine Carriers, Inc.*,³⁰ the Court included in the computation of salary the amount of seafarer's vacation leave pay and tonnage bonus as the same were guaranteed and fixed benefits as provided in the contract. Hence, the total compensation salary of Montealto, inclusive of guaranteed benefits should be included in the computation of his award.

The Court of the Appeals took note of discrepancies in Alishar's documentation of Montealto's compensation package. Alishar itself issued to Montealto a job offer and certificate of salary indicating a total monthly salary of SR3,000.00 per month, on one hand, and his employment contract bearing only a salary of SR2,700.00 per month.³¹ Montealto stated that for the first two months of his employment, he was paid SR3,000.00 per month, but it was abruptly cut down during the succeeding months.

On this score, we reckon with Article 4, Chapter I of the Labor Code which reads:

ART. 4. Construction in favor of labor. - All doubts in the implementation and interpretation of the provisions of this Code, including its implementing rules and regulations, shall be resolved in favor of labor.

Verily, therefore, the award of unpaid salary to Montealto corresponding to the unexpired portion of his contract should be based on the rate of SR3,000.00 per month.

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³⁰ 706 Phil. 339, 351-352 (2013).

³¹ *Rollo*, p. 677.

In another vein, the Court of Appeals erred in awarding separation pay in lieu of reinstatement and backwages to Montealto based on the provisions of the Labor Code. Montealto was an overseas worker and his indemnity award is governed by the Migrant Workers and Overseas Filipinos Act of 1995, as amended by RA 10022. Section 10, *viz.*:

Section 10. Money Claims. — x x x

x x x x

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

In *Sameer Overseas Placement Agency, Inc. v. Cabiles*,³² the Court had already declared unconstitutional the cap of 3 month pay for every year of service. It also upheld the imposition of interest rate of 12% per annum on the placement fee specifically set by law, nay, unaffected by Bangko Sentral ng Pilipinas Circular No. 799 setting the rate of interest at 6% per annum.

Thus, Montealto is rightfully entitled to his unpaid salaries at the rate of SR3,000.00 a month corresponding to the unexpired portion of his contract and the refund his placement fee with 12% interest rate per annum.

The peso equivalent of the monetary award should be computed based on the exchange rate prevailing at the time of payment, as provided in Republic Act No. 8183, entitled “An Act Repealing Republic Act Numbered Five Hundred Twenty-Nine, As Amended, Entitled ‘An Act to Assure the Uniform Value of Philippine Coin and Currency.’” Thus:

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³² 740 Phil. 403-459 (2014).

SECTION 1. All monetary obligations shall be settled in the Philippine currency which is legal tender in the Philippines. However, the parties may agree that the obligation or transaction shall be settled in any other currency at the time of payment.

As for moral and exemplary damages, we sustain the Court of Appeals' award thereof to Montealto. Indeed, the award of moral damages is proper where the dismissal was tainted with bad faith or fraud, or where it constituted an act oppressive to labor, and done in a manner contrary to morals, good customs or public policy. On the other hand, exemplary damages are recoverable when dismissal was done in a wanton, oppressive, or malevolent manner.³³ Here, Montealto was able to establish Alishar's malicious and oppressive treatment of him akin to his constructive dismissal.

The award of ten percent (10%) attorney's fees under Article 2208 of the Civil Code is also proper because (1) exemplary damages are also granted; (2) Alishar and ISDI acted in gross bad faith in dealing with Montealto; (3) this involves recovery of wages and (4) Montealto was compelled to litigate and to incur expenses to protect his rights.

The imposition of six percent (6%) interest rate per annum on the monetary awards until full payment is consistent with *Nacar v. Gallery Frames*.³⁴

ACCORDINGLY, the Court of Appeals Decision dated October 27, 2017 and Resolution dated February 9, 2018 in CA-G.R. SP No. 143018 are **AFFIRMED** with **MODIFICATION**.

1. Alishar Contracting Corp. and International Skill Development Inc. are **ORDERED** to pay Felipe F. Montealto, Jr. his unpaid salaries at the rate of SR3,000.00 per month corresponding to the unexpired portion of his employment contract and to refund his placement fee with 12% interest rate per annum.
2. The award of separation pay and backwages is **DELETED**.

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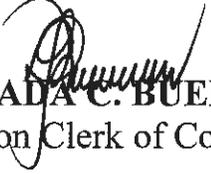
³³ *Meco Manning & Crewing Services, Inc. v. Cuyos*, G.R. No. 222939, July 3, 2019.

³⁴ 716 Phil. 267 (2013).

The petitioners' manifestation, praying that this pleading be admitted and that the Decision dated September 25, 2019 of the Department of Labor and Employment be considered in the resolution of the petition, for reason stated therein, is **NOTED**.

SO ORDERED."

By authority of the Court:


LIBRADA C. BUENA
Division Clerk of Court ^{12/1}

by:

MARIA TERESA B. SIBULO
Deputy Division Clerk of Court
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JLP

