SUPREME COURT
SECOND DIVISION

MERLINDA MADRIAGA, JOSELITO ROCHE, SANTIAGO TOLENTINO, ROGELIA FIGUEROA, NERIO CATALAN,
***Petitioners*,**

-versus-

G.R. No. 142001
July 14, 2005

THE HONORABLE COURT OF APPEALS, HON. TITO F. GENILO and PHILIPPINE DAIRY PRODUCTS CORPORATION,
***Respondents*.**
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D E C I S I O N

CHICO-NAZARIO, *J.*:

Before Us is a Petition for Certiorari seeking to annul the Decision[1] of the Court of Appeals which affirmed the Order[2] of the Voluntary Arbitrator denying for lack of merit the motions filed by the National Organization of Workingmen (NOWM) to issue an order requiring Philippine Dairy Products Corporation (PDPC) to strictly comply with the final judgment rendered by the Supreme Court in G.R. No. 106705 entitled, "Philippine Dairy Products Corporation and San

Miguel Corporation – Magnolia Dairy Products Division vs. Voluntary Arbitrator Tito F. Genilo of the Department of Labor and Employment (DOLE) and the National Organization of Workingmen (NOWM)." Assailed as well is the Resolution[3] of the Court of Appeals denying petitioners' Motion for Partial Reconsideration.

This is the third time that the parties have invoked the power of this Court to decide the labor dispute involved in this case. The generative facts of the case are as follows:

> On 04 March 1988, the NOWM and a number of workers-complainants filed with the Arbitration Branch of the NCR, NLRC, Manila, against San Miguel Corporation, Philippine Dairy Products Corporation, Magnolia Dairy Products, Skillpower Corporation and Lipercon Services, Inc. for illegal dismissal.
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> In a conciliation conference held on 06 May 1988, the parties entered into an agreement which provided that all pending issues before the NCR-Arbitration Branch of the NLRC shall be submitted to voluntary arbitration.
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> The Voluntary Arbitrator rendered a decision on 29 July 1988, the dispositive of which states:
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> > WHEREFORE, it is hereby declared that complainants are regular employees of SMC and PDPC. Accordingly, SMC and PDPC are hereby ordered to reinstate the dismissed 85 complainants to their former positions as their regular employees effective from the date of the filing of their complaints with full backwages less the daily financial assistance of P30.00 per day each, extended to them by Lipercon and Skillpower.[4]
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> Aggrieved by the said decision of the Voluntary Arbitrator, SMC and PDPC filed a petition for certiorari before the Supreme Court.

It was upon the filing of the said petition for certiorari that the Court had the first opportunity to pass upon the controversies involved in this case. In a Resolution dated 30 August 1989, the Court dismissed G.R. No. 85577 entitled, "Philippine Dairy Products Corporation and San Miguel Corporation – Magnolia Dairy Products Division vs. Voluntary Arbitrator Tito F. Genilo of the Department of Labor and Employment (DOLE) and the National Organization of Workingmen (NOWM)" for lack of merit. The Court held in full:

> Individual private respondents are members of respondent union and are laborers supplied to petitioners by Skillpower Corporation and Lipercon Services, Inc., on the basis of contracts of services. Upon expiration of the said contracts, individual private respondents were denied entry to petitioners' premises. Individual private respondents and respondent union thus filed separate complaints for illegal dismissal against petitioners San Miguel Corp., Skillpower Corporation and Lipercon Services, Inc., in the National Labor Relations Commission, National Capitol Region. After consolidation and voluntary arbitration, respondent Labor Arbiter Tito F. Genilo rendered a decision on July 29, 1988, declaring individual private respondents regular employees of petitioners and ordering the latter to reinstate the former and to pay them backwages. On motion for execution filed by private respondents, Labor Arbiter Genilo issued on October 20, 1988 an order directing, among others, the regularization of "all the complainants which include those still working and those already terminated." Hence, this petition for certiorari with injunction.
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> Petitioners contend that prior to reinstatement, individual private respondents should first comply with certain requirements, like submission of NBI and police clearances and submission to physical and medical examinations, since petitioners are deemed to be direct employers and have the right to ascertain the physical fitness and moral uprightness of its employees by requiring the latter to undergo periodic examinations, and that petitioners may not be ordered to employ on regular basis the other workers rendering services to petitioners by virtue of a similar contract of services between

> petitioners and Skillpower Corporation and Lipercon Services, Inc. because such other workers were not parties to or were not impleaded in the voluntary arbitration case.
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> Considering that the clearances and examinations sought by petitioners from private respondents are not 'periodic' in nature but are made preconditions for reinstatement, as in fact the petition filed alleged that reinstatement shall be effective upon compliance with such requirements, (pp. 5-6 thereof) which should not be the case because this is not a case of initial hiring, the workers concerned having rendered years of service to petitioners who are considered direct employers, and that regularization is a labor benefit that should apply to all qualified employees similarly situated and may not be denied merely because some employees were allegedly not parties to or were not impleaded in the voluntary arbitration case, even as the finding of Labor Arbiter Genilo is to the contrary, this Court finds no grave abuse of discretion committed by Labor Arbiter Genilo in issuing the questioned order of October 20, 1988.
>
> ACCORDINGLY, the Court Resolved to Dismiss the petition for lack of merit.[5] *(Emphasis ours)*

In fine, the Court affirmed the ruling of the Voluntary Arbitrator and declared that therein complainants are regular employees of San Miguel Corporation (SMC) and PDPC. It must be noted that in the abovequoted Resolution, the Court extended the benefit of regularization not only to the original complainants but also to those workers who are "similarly situated" to therein complainants. Herein petitioners are among those who are "similarly situated."

Before the above Resolution became final and executory, NOWM filed a petition to execute the judgment before the Voluntary Arbitrator. Hearings were conducted on 12 and 20 October 1989 wherein private respondents SMC and PDPC failed to appear despite notice. NOWM submitted three (3) separate lists of workers allegedly covered by this Court's Resolution consisting of 223 employees in the first list, excluding those who had already been regularized as mentioned in pages 4 to 6 thereof; 220 in the second and 45 in the third. Due to private respondents' failure to appear in the hearings, much less

oppose the veracity of the lists of employees to be reinstated, the Voluntary Arbitrator approved said lists and granted NOWM's petition to execute judgment in an Order dated 10 November 1989, the dispositive portion of which provides:

> WHEREFORE, let a partial Writ of Execution Issue ordering:
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> a) the regularization of employees listed in Annex "A", except those who have already been regularized as mentioned in pages 4 to 6 thereof;
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> b) the reinstatement and regularization of employees listed in Annexes "B" and "C."
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> The notice of Attorney's lien filed by complainants' counsel is approved.
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> Finally, the Socio-Economic Analyst of the NLRC, NCR Arbitration Branch is hereby directed to proceed to the premises of respondent company, inspect its books and records, compute the total amount individual complainants are entitled pursuant to the judgment award and submit a report thereon within fifteen (15) days from its completion.[6]

SMC and PDPC moved for the reconsideration of the foregoing order of the Voluntary Arbitrator but was denied in an Order dated 27 December 1989.

On 30 March 1990, private respondents filed a manifestation explaining how they had fully complied with the decision of the Voluntary Arbitrator dated 10 November 1989. They alleged that the 88 original complainants were already regularized and have received all the amounts due them. They claimed that 70 individuals in Annexes "A" to "A-56" form part of the 88 original complainants who had already been regularized pursuant to the 29 July 1988 decision. Moreover, they maintained that the remaining 49 employees may neither be reinstated nor regularized on account of the labor-saving devices which had made their functions both redundant and unnecessary and the unavailability of positions to which they may be

accommodated. However, private respondents assured that they would be paid all monetary benefits which may be due them.

Pursuant to the 10 November 1989 Order, Ricardo O. Atienza, Acting Chief, Research and Information Unit, National Labor Relations Commission (NLRC), National Capital Region (NCR), Arbitration Branch, submitted a Report dated 23 March 1990 where the computed amount of backwages and wage differentials of employees entitled to the judgment award totaled P18,886,283.05. This computation was objected to by private respondents, asserting that said computation should have been limited to those individuals whose names appeared in Annexes "A" to "A-56" of the Amended Complaint. Furthermore, SMC and PDPC argue that the computation of benefits pertaining to the original and impleaded complainants should be deleted since they had already executed the corresponding Releases and Quitclaims. The union, on the other hand, prayed for a recomputation of the award and that the same be assigned to Mrs. Juanita Bautista, Corporate Auditing Examiner of the NLRC.

Thus, on 27 July 1990, after finding that the first computation was made without examining the pertinent records of the company, the Voluntary Arbitrator ordered that a recomputation be made by Mrs. Juanita Bautista who was directed to go to the premises of SMC (Magnolia Division) at 710 Aurora Boulevard, Quezon City, to inspect its books and records and submit a report within fifteen days from its completion.

The report of Mrs. Bautista dated 08 November 1990 was attached to the 12 November 1990 Order of the Voluntary Arbitrator. It covered the monetary benefits of the workers who were regularized and those who were terminated on account of abolition of their positions due to automation. Monetary benefits of workers who were terminated but were not reinstated for lack of available positions (including herein petitioners) were not included. The total computed monetary benefits due the workers from March 1988 up to the date immediately prior to the regularization, and/or up to the date of termination was P1,638,324.95. The 12 November 1990 Order held that:

x x x

2. Not being contrary to law, morals and public policy, the agreement entered into by the parties on October 1, 1990 covering the 'employees similarly situated' is hereby approved. Respondent is accordingly hereby directed to immediately implement the same, to wit:

   > The Company will exert its best efforts to find regular positions in the Magnolia Dairy Plant for those listed in Annexes 1 and 2 hereof provided, of course, they meet the Company's normal hiring requirements and depending upon the availability of regular positions.

3. Respondents are hereby directed to pay the complainants and 'workers similarly situated' who have since been regularized pursuant to the Decision of the Voluntary Arbitrator their respective monetary entitlements as shown opposite their respective names in Appendices "1", "2" and "3" of the Report dated 8 November 1990 (Annex 4 hereof) submitted by Juanita O. Bautista, Sr. Labor and Employment Officer and noted by Ricardo O. Atienza, Acting Chief, Research and Information Unit of the NLRC, NCR.

The writ of execution issued under the November 10, 1989 Order of this Office is hereby withdrawn.[7] (Emphasis ours)

When the efforts of the parties to implement the abovequoted Order failed, employees under the special payroll filed on 04 March 1991 a motion insisting on the strict enforcement of the 12 November 1990 Order. Conformably, the Voluntary Arbitrator on 06 March 1991 directed private respondents to comply strictly with the mandate of the 12 November 1990 Order by accepting the workers enumerated under the special payroll as regular employees without further delay.

On 15 May 1991, private respondents filed a manifestation of compliance with the 12 November 1990 Order informing the Voluntary Arbitrator that they had regularized 32 of the employees listed in the special payroll and paid the monetary entitlements of the 173 out of the 176 complainants and "workers similarly situated"

enumerated in appendices "1," "2," and "3" of the Report submitted by Mrs. Juanita O. Bautista and which was attached to the 12 November 1990 Order. They prayed that an order be issued declaring private respondents to have fully and completely complied with the 12 November 1990 order.

On 11 June 1991, the union filed an opposition averring that the order prayed for by private respondents cannot be issued for being premature based on the following grounds: out of 43 employees placed under special payroll, only eighteen (18) were paid their monetary entitlements, thereby leaving twenty-five (25) still unpaid; forty-five (45) employees who were already regularized as of 19 February 1990 were not included in the computation submitted by Mrs. Juanita Bautista and Mr. Ricardo Atienza of the NLRC, DOLE; there were still nine (9) employees who were original complainants and placed in special payrolls who had not yet been regularized; and there were four (4) employees promised to be regularized but had not yet been regularized.

Petitioners, on 11 July 1991, filed an Ex-Parte Motion before the Court protesting the undue delay in the implementation of the decision in this case and praying that the Voluntary Arbitrator "be kindly directed to implement or execute the decision in this case, as affirmed by this Honorable Court, strictly in accordance with the tenor of said decision and in accordance with the protection to labor clause of the Constitution and in the Labor Code." Accordingly, in a Resolution dated 21 August 1991, the Court referred the motion to the Voluntary Arbitrator and the NLRC for appropriate action.

On 17 March 1992, the Voluntary Arbitrator resolved the motion of the union praying for a writ of execution for the employees mentioned in Annexes 1 and 2 of the 12 November 1990 Order, as well as the remaining 9 employees under the special payroll who were not regularized by the company. Due to private respondents' failure to abide by the said agreement and insistence on hiring contractual workers to the damage and prejudice of the 9 remaining original complainants, as well as the similarly situated employees, the Voluntary Arbitrator concluded that:

> Under the circumstances, we can only conclude that the respondent company has indeed been remiss in its obligation to find regular positions for the individual complainants as mandated by the Order dated 12 November 1990. Be that as it may, the best evidence to prove the non-availability of regular positions for the individual complainants is the 'plantilla' of the respondent company. Regrettably the respondent company failed to present the same.
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> x x x
>
> WHEREFORE, judgment is hereby rendered ordering respondent company to reinstate as regular employees the nine (9) remaining complainants under the special payroll, namely: (1) Valentin Laguda, (2) Melchor Lipio, (3) Vergel Tamayo, (4) Margie Gregona, (5) Virgilio Buenaventura, (6) Angelito Casuga, (7) Edwin Basto, (8) Gregorio Cabaysa and, (9) Nerio Catalan, including the individual complainants mentioned in Annexes 1 and 2 of the Order dated 12 November 1990, but excluding those complainants who have already been regularized and those who have already accepted separation pay and executed the corresponding Receipt, Release and Quitclaim.[8]

On 04 September 1992, private respondents filed a second petition before this Court charging public respondent Voluntary Arbitrator with having gravely abused his discretion and acting without jurisdiction when he altered the 12 November 1990.

This petition was also dismissed by the Court in a Decision dated 26 September 1994. According to the Court:

> In the Order of November 12, 1990, the Voluntary Arbitrator directed petitioners to exert their best efforts to find regular positions for those workers under the special payroll, approved the agreement of October 1, 1990 where the parties agreed that petitioners would exert their best efforts to find regular positions in the MDP for those listed in Annexes 1 and 2, provided they meet the normal hiring requirements and depending upon the availability of regular positions, and

directed petitioners to pay complainants and the workers similarly situated who have been regularized their respective monetary entitlements.

The Order of March 17, 1992 ordered petitioners to reinstate as regular employees the nine remaining complainants under the special payroll, including the individual complainants mentioned in Annexes 1 and 2 of the November 12, 1990 Order but excluding those complainants who have already been regularized and those who have already accepted separation pay and executed the corresponding Receipt, Release and Quitclaim.

The latter Order required petitioners to reinstate certain employees, while the previous Order directed that the regularization be made on "best effort" basis. At first blush, it appears that there is merit in the contention of petitioners that respondent Voluntary Arbitrator altered his previous order. However, a careful reading of the March 17, 1992 and the interim orders issued by the Voluntary Arbitrator from November 12, 1990 up to March 17, 1992 will reveal the reasons for this apparent alteration.

It did not take long after the November 12, 1990 Order was issued, for respondent union to sense the failure of petitioners to comply with the same, prompting the calling of a conference on February 8, 1991 where the parties themselves agreed that nine of the complainants under the special payroll be regularized and the rest be considered as contractuals pending efforts to relocate them. This voluntary agreement likewise remained unfulfilled, compelling the Voluntary Arbitrator to issue the March 6, 1991 Order directing petitioners to regularize the complainants without delay. The reason behind this was petitioners' continued hiring of contractuals which seriously breached their obligation to exert best efforts to find regular positions for the complainants. A year after, with full implementation still to be accomplished, the Voluntary Arbitrator issued the March 17, 1992 Order directing petitioners to reinstate the nine remaining complainants in the special payroll and those in Annexes 1 and 2.

> The sequence of orders issued by the Voluntary Arbitrator convinces the Court that he committed no grave abuse of discretion in issuing the Order of March 17, 1992. The supposed "alteration" cannot be said to be whimsical on his part. In fact, he had no other recourse but to issue the same after petitioners themselves failed to comply fully with the Order of November 12, 1990 on the basis of the "best efforts" formula when they hired contractuals instead of regularizing the complainants.
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> Petitioners' argument that the March 17, 1992 Order could not alter the final November 12, 1990 Order is without reason. When they failed to comply with the November 12, 1990 Order, they voluntarily entered into an agreement on February 8, 1991 which, in effect, altered the November 12, 1990 Order. Subsequently, the orders of March 6, 1991 and March 12, 1992 were issued. It was only thereafter that petitioners raised the argument that the November 12, 1990 Order had become final.[9]

In accordance with the said Decision of the Court, PDPC reinstated the petitioners in its payroll on 16 March 1995. In April 1995, petitioners executed Receipts, Releases, and Quitclaims in favor of PDPC indicating therein that they have been paid the sum of P97,500.00 as payment for all the monetary benefits due them.

On 02 May 1995, petitioners filed a motion with the Voluntary Arbitrator praying for the issuance of an order reinstating them to work. Thus, on 23 May 1995, the Voluntary Arbitrator issued an order, the decretal portion of which reads:

> WHEREFORE, premises considered, the respondent Philippine Dairy Products Corporation is hereby ordered to reinstate and regularize the individual complainants named above without further delay.[10]

In compliance with the said Order, on 03 July 1995, herein petitioners were physically reinstated and given work assignments in PDPC's plant in Gen. Trias, Cavite.

On 28 May 1997, however, petitioners filed a motion before the Voluntary Arbitrator for the issuance of an order directing PDPC to strictly comply with the 30 August 1989 Resolution and 26 September 1994 Decision of the Court and thus pay petitioners' backwages from the date of their dismissal up to 16 March 1995 and to pay their differential pay from the date of regularization until 16 March 1995.

This motion was denied by the Voluntary Arbitrator in an Order issued on 20 November 1997, the dispositive portion of which reads:

> WHEREFORE, premises considered, the Motions filed by the movants to issue order requiring Philippine Dairy Products Corporation to strictly comply with the final judgment rendered in this case, should be, as it is hereby denied for lack of merit.[11]

Not satisfied with the Order of the Voluntary Arbitrator, petitioners filed a Petition for Certiorari before the Court of Appeals. On 21 September 1999, the appellate court dismissed the petition for lack of merit. The Motion for Reconsideration filed by petitioners was also denied.

Hence, the instant petition.

In the disposition of the present petition, We shall first pass upon the procedural issues raised by private respondent PDPC.

According to PDPC, the petition suffers from procedural infirmities in that petitioners used the wrong mode of appeal and as such filed the same beyond the reglementary period.

As shown from the petitioners' own admissions, a copy of the assailed Court of Appeals decision was received by petitioners on 01 October 1999. They filed a Motion for Partial Reconsideration on 11 October 1999, which was denied by the appellate court in a Resolution dated 02 February 2000. Petitioners received a copy of said Resolution on 09 February 2000. On 09 March 2000, petitioners filed this Petition for Certiorari under Rule 65 of the 1997 Rules of Civil Procedure alleging that public respondents had committed serious error when they abandoned established jurisprudence relative to acceptance of benefits which are less than the final judgment.[12]

The general rule is that the remedy to obtain reversal or modification of the judgment on the merits is appeal. This is even true if the error, or one of the errors, ascribed to the court rendering the judgment is its lack of jurisdiction over the subject matter, or the exercise of power in excess thereof, or grave abuse of discretion in the findings of fact or of law set out in the decision.[13] Therefore, when petitioners received the copy of the Resolution denying their Motion for Partial Reconsideration on 09 February 2000, they had fifteen (15) days or until 24 February 2000 to bring a Petition for Review under Rule 45 of the 1997 Rules of Civil Procedure.

It is settled that a special civil action for certiorari will not lie as a substitute for the lost remedy of appeal.[14] However, there are instances where the extraordinary remedy of certiorari may be resorted to despite availability of an appeal, such as when public welfare and the advancement of public policy dictates, or when the broader interests of justice so require, or when the writs issued are null, or when the questioned order amounts to an oppressive exercise of judicial authority.[15]

In the case at bar, We are not remiss of the fact that this labor dispute has dragged on for more than seventeen (17) years and that this is the third occasion that the parties have come to this Court for redress of their grievances. Thus, with the aim of finally putting to rest this case and in the broader interest of justice, this Court shall treat this petition as a special civil action for certiorari under Rule 65,[16] and shall now discuss the substantial issues put forth by the petitioners.

Petitioners submit that the public respondents acted with grave abuse of discretion amounting to lack of jurisdiction or an excess in the exercise thereof when they upheld the validity of the Compromise Agreement entered into by NOWM and PDPC and the Receipts, Releases, and Quitclaims signed by petitioners thereby denying the petitioners of their right to the full benefits of the final Decision of the Court dated 26 September 1994.

Petitioners maintain that by virtue of the judgment rendered by the arbitrator, each individual petitioner is entitled to the payment of his monetary claims computed at P225,000.00 each by Ricardo O.

Atienza, Acting Chief, Research and Information Unit, NCR, NLRC, Dole Quezon City. However, each petitioner received only the amount of P48,750.00 and not P97,500.00 as indicated in the Receipt, Release, and Quitclaim as the other P48,750.00 was given to NOWM President Teofilo Rafols.

We are not persuaded.

At this point, it must be noted that the alleged computation of Ricardo O. Atienza, Acting Chief, Research and Information Unit, NCR, NLRC, Dole Quezon City, wherein the petitioners became entitled to P225,000.00 each was never approved by the Voluntary Arbitrator as said computation was objected to by the parties. As a result of this, the Voluntary Arbitrator ordered Mrs. Juanita Bautista to make a recomputation. It was this computation contained in the report submitted by Mrs. Bautista which the Voluntary Arbitrator ordered private respondents to pay, as stated in the 12 November 1990 Order. However, in the said report submitted by Mrs. Bautista, herein petitioners were not included since at the time of said recomputation, petitioners had yet to be reinstated by PDPC. Therefore, the allegation that herein petitioners are entitled to the definite amount of P225,000.00 each for their monetary claims has no basis both in fact and in law.

With respect to the validity of the Compromise Agreement and the Receipt, Release and Quitclaim, the pertinent portion of the Compromise Agreement reads as follows:

> WHEREAS, complainants and respondent companies, after a mature deliberation, agreed as they hereby agree to settle their difference and to jointly move for judgment on the basis of the Receipt, Release and Quitclaims executed on March 31, 1995 by the individual complainants whose names appear thereunder. Copies of the said Receipt, Release and Quitclaims are attached hereto.
>
> NOW, THEREFORE, for and in consideration of the foregoing premises and the mutual covenants set forth below, the parties agreed as follows:

1. The individual complainants shall be paid each the amount of PESOS: (P97,500.00) in consideration of which each shall execute an individual RECEIPT, RELEASE AND QUITCLAIM insofar as all their claims for backwages and other monetary claims/awards are concerned in the above entitled case and on G.R. No. 106705.

2. That all the above payment shall constitute the totality of the amount that shall be paid to said complainants in consideration of which all their claims for backwages and other monetary claims/awards in G.R. No. 106705 shall be deemed duly satisfied.[17]

The document entitled, Receipt, Release and Quitclaim states:

> WHEREAS, the Decision of the Supreme Court dated 26 September 1994 has already become final and executory.
>
> WHEREAS, I hereby acknowledged receipt of the sum of PESOS: NINETY-SEVEN THOUSAND FIVE HUNDRED & 00/100 (P97,500.00), (inclusive of 10% Attorney fees), to me in hands paid by Philippine Dairy Products Corporation (PDPC), San Miguel Corporation (SMC), and/or Magnolia Nestle Corporation (formerly Magnolia Division of SMC), in full payment of backwages and other monetary awards in connection with the decision of the Supreme Court, Third Division, in the above captioned cases.
>
> NOW, THEREFORE, for and in consideration of the aforesaid sum of PESOS: NINETY-SEVEN THOUSAND FIVE HUNDRED &00/100 (P97,500.00), in hand paid to me by Philippine Dairy Products Corporation, San Miguel Corporation and/or Magnolia Nestle Corporation, receipt whereof is hereby acknowledged, I hereby remise, release and forever discharge as far as payment of backwages and other monetary awards are concerned, which I may have, or which I can, shall or may have upon or by reason of any matter, cause or thing, in connection with the above entitled cases.

> I hereby agree that with the execution of this Receipt, Release and Quitclaim, the instant case between the same parties is deemed closed/terminated and that said Receipt, Release and Quitclaim is in total or full compliance with the order (dated September 26, 1994) of the Supreme Court, Third Division.[18]

A reading of both the Compromise Agreement and the Receipt, Release, and Quitclaim will show that the petitioners have attested to the complete settlement of their backwages and other monetary claims in the amount of P97,000.00 each, in accordance with the Decisions of this Court.

While generally, the Court looks, at times, with askance at waivers and quitclaims for being repugnant to public policy, yet, Periquet vs. National Labor Relations Commission[19] clearly delineated the parameters when such waivers and quitclaims command judicial imprimatur:

> Not all waivers and quitclaims are invalid as against public policy. If the agreement was voluntarily entered into and represents a reasonable settlement, it is binding on the parties and may not later be disowned simply because of a change of mind. It is only where there is clear proof that the waiver was wrangled from an unsuspecting or gullible person, or the terms of settlement are unconscionable on its face, that the law will step in to annul the questionable transaction. But where it is shown that the person making the waiver did so voluntarily, with full understanding of what he was doing, and the consideration for the quitclaim is credible and reasonable, the transaction must be recognized as a valid and binding undertaking.
>
> As can be culled from the records of the case and pointed out by the Voluntary Arbitrator in the assailed Order, an order was issued by the Voluntary Arbitrator on 04 October 1995 upholding the validity of the settlement entered into by the parties.[20] It was further stated that the individual complainants executed and signed individual Deeds of Receipt, Release and Quitclaim attesting to the fact that they freely and

voluntarily accepted the amount of P97,500.00 each as settlement of their case.[21]

We agree in the conclusion of both the Voluntary Arbitrator and the Court of Appeals that the allegation that petitioners did not receive half of the said amount as only P48,750.00 was given to NOWM President Teofilo Rafols was not proved with convincing evidence. As observed by the appellate court, all that petitioners could show were their bare oral allegations which were unsupported by any evidence.[22]

In the absence of competent proof to destroy the legal presumption of regularity in the execution of the Compromise Agreement and the Receipt, Release and Quitclaim, the Compromise Agreement and the Quitclaim must stand as the law between the parties and the courts cannot invalidate it on the basis of the unsubstantiated allegations of the petitioners.[23]

WHEREFORE, premises considered, the instant petition is hereby **DISMISSED**. The Decision of the Court of Appeals is hereby **AFFIRMED**. No Costs.

SO ORDERED.

PUNO, *J.*, *(Chairman)*, AUSTRIA-MARTINEZ, CALLEJO, SR., and TINGA, *JJ.*, concur.

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[1] CA-G.R. SP. No. 46235, dated 21 September 1999, penned by Associate Justice B. A. Adefuin- De La Cruz with Associate Justices Fermin A. Martin, Jr. and Presbitero J. Velasco, Jr., concurring.
[2] Dated 20 November 1997, in an unnumbered Voluntary Arbitration case.
[3] Dated 02 February 2000.
[4] CA Decision, pp. 2-3.
[5] 237 SCRA 99, 101-102.
[6] Id., p. 103.
[7] Id., pp. 111–112.
[8] Id., pp. 115-116.
[9] Id., pp. 119-120.
[10] CA Decision, p. 4; Rollo, p. 72.
[11] Id., p. 5; Rollo, p. 73.

[12] Rollo, p. 43.
[13] Sappari K. Sawadjaan vs. Court of Appeals, G.R. No.141735, 08 June 2005, citing Heirs of Lourdes Potenciano Padilla vs. Court of Appeals, G.R. No. 147205, 10 March 2004, 425 SCRA 236, citing MMDA vs. JANCOM Environmental Corp., G.R. No. 147465, 30 January 2002, 375 SCRA 320.
[14] Paa vs. Court of Appeals, G.R. No. 126560, 04 December 1997, 282 SCRA 448, citing Vda. De Espina vs. Abaya, G.R. No. 45142, 26 April 1991, 196 SCRA 312.
[15] Supra, note 13, citing Ruiz, Jr. vs. Court of Appeals, G.R. No. 101566, 26 March 1993, 220 SCRA 490.
[16] Ligon vs. Court of Appeals, G.R. No. 127683, 07 August 1998, 294 SCRA 73.
[17] CA Decision, pp. 7-8; Rollo, pp. 74 and 76.
[18] Id., p. 7; Rollo, p. 74.
[19] G.R. No. 91298, 22 June 1990, 186 SCRA 724, 730-731.
[20] 20 November 1997 Order of the Voluntary Arbitrator, p. 4.
[21] Ibid.
[22] CA Decision, p. 8.
[23] See JMM Promotions and Management vs. Court of Appeals, G.R. No. 139401, 02 October 2002, 390 SCRA 223; and Samaniego, et al. vs. NLRC, G.R. No. 93059, 03 June 1991, 198 SCRA 111.