



Republic of the Philippines
Supreme Court
Manila

SUPREME COURT OF THE PHILIPPINES
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SECOND DIVISION

NONA S. RICAFORT, in her capacity as Chairman of the Board of Trustees of Eulogio "Amang" Rodriguez Institute of Science and Technology (EARIST), HORACE R. CRUDA, ATTY. ARMI-MINDA DAYOT CORPUZ, MARCELINA E. BACANI, EDUARDO G. ONG, and RONNIE C. TUNGUL, in their capacity as Members of the Board of Trustees of EARIST, and DR. ENRIQUE R. HILARIO, in his capacity as the designated Officer-in-Charge of the Office of the President of EARIST,

G.R. No. 200984

Present:

**PERLAS-BERNABE, S.A.J.,
Chairperson,
REYES, A., JR.,*
HERNANDO,
INTING, and
ZALAMEDA,** JJ.**

Petitioners,

- versus -

MAURA V. RAUTISTA,

Respondent.

Promulgated:

25 NOV 2019

X-----X

DECISION

INTING, J.:

This is a Petition for Review¹ filed under Rule 45 of the 1997 Rules of Civil Procedure which seeks to reverse and set aside the Decision² dated February 28, 2012 of the Court of Appeals (CA) in CA-G.R. CV No. 93009 dismissing the appeal filed by Nona S. Ricafort

* On leave.
** Designated additional member per Special Order No. 2724 dated October 25, 2019.
¹ Rollo, pp. 180-209.
² Id. at 44-59; penned by Associate Justice Franchito N. Diamante with Associate Justices Mariflor P. Punzalan Castillo and Angelita A. Gacutan, concurring.

(petitioner) and affirming the Decision³ dated October 14, 2008 of the Regional Trial Court, Branch 51, Manila (RTC Branch 51) in Civil Case No. 06-114930. The assailed Decision declared as illegal the unnumbered resolution⁴ issued by the Board of Trustees (BoT) of the Eulogio "Amang" Rodriguez Institute of Technology (EARIST) which considered Maura V. Bautista (respondent) to have mandatorily retired from service upon reaching the age of 65 years old, and thus, revoking her reappointment or extension of service as President of EARIST.

EARIST is a state college established by virtue of Presidential Decree No. 1524. Based on EARIST charter, and as reiterated in Republic Act No. (RA) 8292 otherwise known as the *Higher Education Modernization Act of 1997*, the BoT is its governing body.⁵

On December 8, 1999, respondent was appointed as President of EARIST by Esther A. Garcia, then Chairman of the Commission on Higher Education (CHED) for four years effective on December 8, 1999, or until December 2003.⁶

On May 14, 2003, or prior to the expiration of respondent's term in December 2003, the BoT passed Board Resolution No. 12-2003 approving the reappointment of respondent effective December 16, 2003 up to age 65, but without prejudice to an extension beyond 65 years of age.⁷

On August 13, 2003, the BoT passed Board Resolution No. 15-2003 approving the reappointment of respondent for one full term of four (4) years effective on December 16, 2003.⁸

On September 5, 2003, Rolando R. Dizon, then Chairman of the CHED and on behalf of the BoT, signed the reappointment paper of respondent for one full term of another four years effective December

³ *Id.* at 141-151; penned by Judge Gregorio B. Clemeña, Jr.

⁴ *Id.* at 236-237.

⁵ *Id.* at 185.

⁶ *Id.*

⁷ *Id.*

⁸ *Rollo*, p. 45.

16, 2003 up to December 17, 2007. Hence, for her second term of office, respondent continued to discharge the functions of the President of EARIST.⁹

Sometime in 2005, upon reaching the mandatory retirement age of 65, respondent was offered a retirement benefit by the Government Service Insurance System (GSIS) to which she applied¹⁰ and approved by the GSIS effective December 1, 2005.¹¹ Respondent received from the GSIS her retirement and terminal leave benefits in the amount of ₱1,314,644.83¹² and ₱821,347.68,¹³ respectively. Respondent continued to occupy the office as President of EARIST and she never submitted a resignation letter.

On April 19, 2006, upon learning of the approval of respondent's application for retirement, the BoT, headed by its new Chairman, herein petitioner, together with the other members thereof, passed and approved an unnumbered resolution, which considered the respondent to have mandatorily retired from service. Consequently, petitioner, in the same unnumbered resolution and in the Memorandum¹⁴ dated April 19, 2006, designated Dr. Enrique R. Hilario (Dr. Hilario), as Officer-in-Charge (OIC) of EARIST.¹⁵ The unnumbered resolution reads:

WHEREAS, Dr. Maura V. Bautista has mandatorily retired from the government service effective December 1, 2005;

WHEREAS, the Board of Trustees noted her retirement and decided in Executive Session not to extend her services;

WHEREAS, in the exigency of service, there is a need to designate an Officer-in-Charge to discharge the functions and responsibilities of the SUC President II;

NOW THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the Board notes the mandatory retirement of Dr. Maura V. Bautista effective December 2005 and decided not to extend her services.

⁹ *Id.* at 45-46.

¹⁰ *Id.* at 60.

¹¹ *Id.* at 61.

¹² *Id.* at 62-64.

¹³ *Id.* at 66-67.

¹⁴ *Id.* at 238.

¹⁵ *Id.* at 143.

RESOLVED, AS IT IS HEREBY FURTHER RESOLVED, that the Board in the exigency of service, designates **DR. ENRICO R. HILARIO**, Dean, College of Industrial Technology as Officer-in-Charge, Office of the President of the Eulogio "Amang" Rodriguez Institute of Science and Technology effective April 20, 2006. He shall discharge the responsibilities of a SUC President II and he shall be entitled to all remunerations attached to the position except the basic salary thereof.

RE[S]OLVED FURTHERMORE, AS IT IS HEREBY FURTHERMORE RESOLVED, that all Board Resolutions relative to the re-appointment of Dr. Maura V. Bautista beyond the age of 65 are hereby revoked/rescinded.¹⁶

The officers, faculty, students, and staff of EARIST were informed of Dr. Hilario's designation in a notice¹⁷ dated April 19, 2006, which reads:

Per instruction of Commissioner Nona S. Ricafort, Chairperson of the EARIST Board of Trustees, we are furnishing you with a copy of the resolution designating Professor Enrico R. Hilario as Officer-in-Charge, Office of the President of the EARIST effective April 20, 2006. This designation shall remain in force and in effect until a new President has been appointed/selected by the BOT.

This is in view of the mandatory retirement of Dr. Maura V. Bautista and of the EARIST Board of Trustees' decision not to extend her services as EARIST President.¹⁸

On April 26, 2006, respondent filed a Petition for Injunction (with Application for a Temporary Restraining Order and/or Writ of Preliminary Injunction)¹⁹ praying, among others, that a temporary restraining order and/or writ of preliminary injunction be issued *ex parte* restraining petitioner and other members of the BoT from implementing the Memorandum dated April 19, 2006, and to order Dr. Hilario to cease and desist from exercising the functions of the President of EARIST.²⁰ Respondent also prayed that after proper proceedings, the lower court declare as null and void and set aside the Memorandum dated April 19, 2006; make permanent the restraining order and a preliminary injunction issued against the implementation of the questioned Memorandum; and direct petitioner and other members of the BoT to pay moral and

¹⁶ *Id.* at 236.

¹⁷ *Id.* at 71.

¹⁸ *Id.*

¹⁹ *Rollo*, pp. 240-251.

²⁰ *Id.* at 249.

exemplary damages and attorney's fee.²¹

On May 2, 2006, the RTC Branch 41, Manila (RTC Branch 41), where this case was originally assigned, issued an Order²² dismissing the petition. It ruled that the petition was not the proper remedy to assail the Memorandum dated April 19, 2006 and that respondent had other recourse before the CHED.

On Motion for Reconsideration,²³ the RTC Branch 41 issued an Order²⁴ dated June 6, 2006 granting the motion. The RTC set aside the earlier Order dated May 2, 2006.

On June 13, 2006, the RTC Branch 41 issued another Order²⁵ granting a Temporary Restraining Order restraining petitioner and the other members of the BoT from implementing the Memorandum dated April 19, 2006, and ordering Dr. Hilario to cease and desist from exercising the functions as OIC of the Office of the President of EARIST. Further, the RTC Branch 41 ordered the reinstatement of respondent to resume her duties and functions as the President of EARIST.

On June 29, 2006, petitioner and other members of the BoT, through the Office of the Solicitor General (OSG), filed a Very Respectful Motion for Inhibition²⁶ of the Presiding Judge of Branch 41.

On June 30, 2006, Judge Vedasto B. Marco, Presiding Judge of RTC Branch 41, granted the motion for inhibition.²⁷ The case was re-raffled to RTC Branch 51.

²¹ *Id.*

²² *Rollo*, pp. 96-97.

²³ *Id.* at 99-108.

²⁴ *Id.* at 98.

²⁵ *Id.* at 109.

²⁶ *Id.* at 128-134.

²⁷ *Id.* at 137.

Ruling of the RTC

On October 14, 2008, the RTC Branch 51 rendered a Decision²⁸ in the petition for injunction. The court *a quo* ruled that the designation of Dr. Hilario as OIC of the Office of the President of EARIST was not proper because the position of president was not vacated per Section 30²⁹ of the Revised Implementing Rules and Regulation (RIRR) for RA 8292.³⁰ Following the RIRR, respondent was still serving as President of EARIST.

The court *a quo*, in the application for an injunction by respondent against herein petitioner and all other members of the BoT, was posed with the question as to whether the issuance of an injunction to stop the implementation of the Memorandum dated April 19, 2006 was proper and tenable, considering that based from respondent's allegations, she was reaching the age of 67 by November 2007. Thus, the court *a quo* held that although the prayer for injunction was tenable, but since respondent's reappointment was only effective up to December 2007, it considered the issuance of an injunction order not proper.³¹

However, the court *a quo* awarded the respondent with actual damages by way of her unearned salary from April 19, 2006 up to December 2007; exemplary damages in the amount of ₱50,000.00; and attorney's fees in the amount of ₱20,000.00. Further, the court *a quo* required only the petitioner to pay the awards ratiocinating that the petitioner, in appointing an OIC in the Office of the President, displayed an abuse of power as Commissioner of the CHED and her action was purely personal.³²

Ruling of the CA

On February 28, 2012, the CA rendered the assailed Decision,³³ which denied the appeal and affirmed the Decision dated October 14,

²⁸ *Id.* at 141-151.

²⁹ Sec. 30. Vacancy in the Office of the President. – In case of vacancy by reason of death, transfer, resignation, removal for cause or incapacity of the incumbent President to perform the functions of his office, the CHED Chairman or the CHED Commissioner as Chair of the BOR/BOT, shall within fifteen (15) days from the occurrence of such vacancy, designate an Officer-in-Charge (OIC) in the Office of the President (OP), subject to confirmation by the GB [Governing Body].

³⁰ *Rollo*, p. 150.

³¹ *Id.* at 150-151.

³² *Id.* at 151.

³³ *Id.* at 44-59.

2008. The CA found it proper to award respondent with actual damages in the form of the loss of her salary from April 19, 2006 up to December 17, 2007.³⁴ Further, the CA upheld the court *a quo*'s findings that petitioner was liable for exemplary damages by way of example or correction for the public good because the existence of bad faith on the part of petitioner was established.³⁵ Also, as to the award of attorney's fees, the CA found that petitioner had refused to satisfy respondent's valid, just, and demandable claim. Hence, the CA deemed it just and equitable to grant respondent the amount of ₱20,000.00 as attorney's fees.

The Issue

Petitioner maintains that the award of exemplary damages and attorney's fees in favor of respondent lacks basis as the BoT acted in good faith when it issued the unnumbered resolution and considered respondent as having retired from the service.³⁶

Our Ruling

The petition is without merit.

A petition for review on *certiorari* under Rule 45 is an appeal from a ruling of a lower tribunal on pure questions of law.³⁷ In other words, in petitions for review on *certiorari*, only questions of law may be put into issue and questions of fact cannot be entertained.³⁸ It is only in exceptional circumstances that the Court admits and reviews questions of fact, to wit: (1) when the findings are grounded entirely on speculation, surmises or conjectures; (2) when the inference made is manifestly mistaken, absurd or impossible; (3) when there is grave abuse of discretion; (4) when the judgment is based on a misapprehension of facts; (5) when the findings of facts are conflicting; (6) when in making its findings the CA went beyond the issues of the case, or its findings are contrary to the admissions of both the appellant and the appellee; (7) when the findings are contrary to the trial court; (8) when the findings are conclusions without citation of specific evidence on which they are

³⁴ *Id.* at 56.

³⁵ *Id.*

³⁶ *Rollo*, p. 196.

³⁷ *Century Iron Works, Inc. v. Bañas*, 711 Phil. 576, 585 (2013).

³⁸ *Cebu Shipyard & Eng'g Works, Inc. v. William Lines, Inc.*, 366 Phil. 439, 452 (1999).

based; (9) when the facts set forth in the petition as well as in the petitioner's main and reply briefs are not disputed by the respondent; (10) when the findings of fact are premised on the supposed absence of evidence and contradicted by the evidence on record; and (11) when the CA manifestly overlooked certain relevant facts not disputed by the parties, which, if properly considered, would justify a different conclusion.³⁹ However, this case does not fall in any of the exceptional circumstances enumerated above.

In the petition before the Court, petitioner is raising mixed questions of fact and law.

Petitioner proffers that the award of the court *a quo* of damages in favor of respondent ostensibly lacks basis because there is no showing that the actuation or decision of the BoT was tainted with bad faith;⁴⁰ and that the BoT merely interpreted the provision of RA 8292 insofar as its power to extend the term of office of an incumbent president is concerned.⁴¹ Moreover, petitioner explains that the BoT acted in good faith when it issued the unnumbered Resolution. Petitioner also asserts that the issuance of the unnumbered Resolution is a collegial action of the BoT since no one can act alone without the approval of the majority of the members. Hence, petitioner insists that the court *a quo* and the CA erred in singling her out as the only member of the BoT who shall be personally liable to respondent for exemplary damages and attorney's fees.⁴²

All told, the Court finds that the resolution of the propriety of the award of exemplary damages and attorney's fees entails a review of the factual circumstances which led the court *a quo*, as affirmed by the CA, to decide in such manner. Likewise, the position of petitioner that she did not act with malice or bad faith in the issuance of the unnumbered Resolution calls for the Court to analyze and weigh the evidence all over again.

It must be stressed that only questions of law can be addressed in reviews on *certiorari*.⁴³ It is not the function of the Court to analyze or

³⁹ *New City Builders, Inc. v. NLRC*, 499 Phil. 207, 212-213 (2005) citing *The Insular Life Assurance Company, Ltd. v. Court of Appeals*, G.R. No. 126850, April 28, 2004, 428 SCRA 79.

⁴⁰ *Rollo*, p. 201.

⁴¹ *Id.*

⁴² *Rollo*, p. 203.

⁴³ *Far Eastern Surety and Insurance Co., Inc. v. People*, 721 Phil. 760, 769 (2013).

weigh the evidence, which tasks belong to the trial court as the trier of facts and to the appellate court as the reviewer of facts. The Court is confined to the review of errors of law that may have been committed in the judgment under review.⁴⁴

In *Madrigal v. Court of Appeals*,⁴⁵ the Court had the occasion to rule that the Court's jurisdiction is limited to reviewing errors of law that may have been committed by the lower court. *The Court is not a trier of facts as it leaves these matters to the lower court, which has more opportunity and facilities to examine these matters. It is the policy of the Court to defer to the factual findings of the trial judge, who has the advantage of directly observing the witnesses on the stand and to determine their demeanor whether they are telling or distorting the truth.*⁴⁶

At any rate, as aptly ruled by the CA, there was nothing irregular with respondent's reappointment⁴⁷ as the procedure for her reappointment was properly observed by the BoT;⁴⁸ that it was done after a concerted evaluation of the BoT;⁴⁹ and which was very well in conformity with RA 8292.⁵⁰ To stress, the BoT approved the reappointment of respondent as President of EARIST until December 17, 2007 during their regular meeting held on August 13, 2003.⁵¹ Thus, as found by both the court *a quo* and the CA, petitioner erred into believing that since respondent had already reached the age of 65 while serving as the President of EARIST, she was automatically and compulsorily terminated.⁵²

Likewise, the Court affirms the findings of the court *a quo* as to petitioner's display of an abuse of power as Commissioner of the CHED when she excluded respondent from the conference room that led to the appointment of Dr. Hilario as OIC in the Office of the President that consequently denied respondent of her right to due process.⁵³

⁴⁴ *Id.*, citing *Dihiansan v. Court of Appeals*, 237 Phil. 695, 701-703 (1987).

⁴⁵ 496 Phil. 149, 156 (2005) citing *Bernardo v. Court of Appeals*, G.R. No. 101680, December 7, 1992, 216 SCRA 224.

⁴⁶ *Id.*

⁴⁷ *Rollo*, p. 53.

⁴⁸ *Id.*

⁴⁹ *Id.*

⁵⁰ *Rollo*, p. 54.

⁵¹ *Id.*

⁵² *Id.*

⁵³ *Rollo*, p. 151.

Accordingly, the Court finds that both the court *a quo* and the CA correctly awarded in favor of respondent actual damages by way of unearned salary from April 19, 2006 until December 17, 2007. It follows, therefore, that the award of exemplary damages is likewise proper. The requisites for the award of exemplary damages are as follows:

- (1) they may be imposed by way of example in addition to compensatory damages, and only after the claimant's right to them has been established;
- (2) that they cannot be recovered as a matter of right, their determination depending upon the amount of compensatory damages that may be awarded to the claimant; and
- (3) the act must be accompanied by bad faith or done in a wanton, fraudulent, oppressive or malevolent manner.⁵⁴

There is no doubt that all of the requisites for the award of exemplary damages are present in the instant case. The imposition of exemplary damages on petitioner's part is by way of example or correction for the public good since the existence of bad faith was established by the court *a quo*.⁵⁵

On the grant of attorney's fees to respondent, the Court affirms both the court *a quo* and the CA that there was an unjustified refusal on the part of petitioner to satisfy respondent's valid, just, and demandable claim.⁵⁶ Hence, it is just and equitable to grant respondent attorney's fees.

However, applying the guidelines in *Nacar v. Gallery Frames, et al.*,⁵⁷ the Court finds that a legal interest at the rate of 6% shall be imposed on the amount finally adjudged, from the finality of this Decision until its full satisfaction, this interim period being deemed to be by then an equivalent to a forbearance of credit.⁵⁸

⁵⁴ *Arco Pulp and Paper Co., Inc. et al. v. Lim*, 737 Phil. 133, 153 (2014) citing *Francisco v. Ferrer, Jr.*, 405 Phil. 741, 750 (2001).

⁵⁵ *Rollo*, p. 56.

⁵⁶ *Id.* at 57.

⁵⁷ 716 Phil. 267 (2013).


⁵⁸ *Id.* at 282-283.

WHEREFORE, the petition is **DENIED**. The Decision dated February 28, 2012 of the Court of Appeals in CA-G.R. CV No. 93009 is **AFFIRMED with MODIFICATION**. The legal interest of 6% per *annum*, reckoned from the finality of this Decision until full satisfaction, is imposed upon the amount of respondent's unearned salary from April 19, 2006 up to December 2007, and upon the P70,000.00 representing the exemplary damages and attorney's fees to be paid by petitioner to respondent.

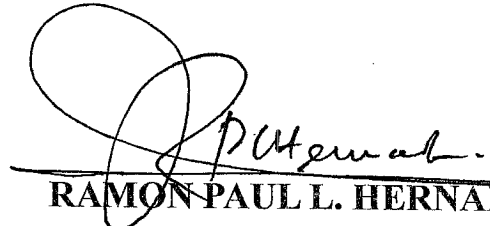
SO ORDERED.

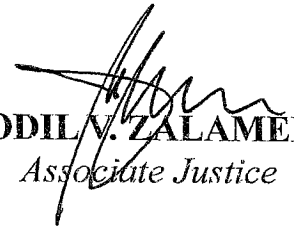

HENRI JEAN PAUL B. INTING
Associate Justice

WE CONCUR:


ESTELA M. PERLAS-BERNABE
Senior Associate Justice
Chairperson

(On leave)
ANDRES B. REYES, JR.
Associate Justice



RAMON PAUL L. HERNANDO
Associate Justice


RODIL V. ZALAMEDA
Associate Justice



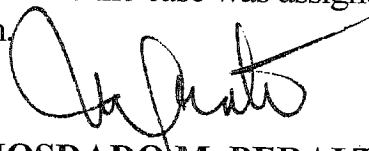
ATTESTATION

I attest 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.


ESTELA M. PERLAS-BERNABE
Senior Associate Justice
Chairperson

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, 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.


DIOSDADO M. PERALTA
Chief Justice