

## Republic of the Philippines Supreme Court Manila

## SECOND DIVISION

PJ LHUILLIER, INC.,

1.1.1

G.R. No. 223073

Petitioner,

Present:

- versus -

CARPIO, J., Chairperson, PERALTA, MENDOZA, LEONEN, and JARDELEZA, JJ.

## HECTOR ORIEL CIMAGALA CAMACHO,

Respondent.

Promulgated: 2 2 FEB 2017 a Dente - X

DECISION

## MENDOZA, J.:

X -----

This Petition for Review under Rule 45 of the Rules of Court seeks to annul the August 28, 2015 Decision<sup>1</sup> and the February 19, 2016 Resolution<sup>2</sup> of the Court of Appeals (CA) in CA-G.R. SP No. 134879, which reversed and set aside the December 27, 2013<sup>3</sup> and February 10, 2014<sup>4</sup> Resolutions of the National Labor Relations Commission, 4<sup>th</sup> Division, Quezon City (NLRC) in NLRC LAC No. 06-001854-13, in a complaint for illegal dismissal.

The Antecedents

On July 25, 2011, petitioner P.J. Lhuillier, Inc. (PJLI), the owner and operator of the "Cebuana Lhuillier" chain of pawnshops, hired petitioner Feliciano Vizcarra (Vizcarra) as PLJI's Regional Manager for Northern and

<sup>2</sup> Id. at 42-44.

<sup>&</sup>lt;sup>1</sup> Rollo, pp. 30-40. Penned by Associate Justice Ma. Luisa C. Quijano-Padilla with Associate Justice Normandie B. Pizarro and Associate Justice Samuel H. Gaerlan, concurring.

<sup>&</sup>lt;sup>3</sup> Id. at 167-175.

<sup>&</sup>lt;sup>4</sup> Id. at 185-186.

Central Luzon pawnshop operations<sup>5</sup> and respondent Hector Oriel Cimagala Camacho *(Camacho)* as Area Operations Manager *(AOM)* for Area 213, covering the province of Pangasinan. Camacho was assigned to administer and oversee the operations of PJLI's pawnshop branches in the area.<sup>6</sup>

On May 15, 2012, Vizcarra received several text messages from some personnel assigned in Area 213, reporting that Camacho brought along an unauthorized person, a non-employee, during the QTP operation (pull-out of "rematado" pawned items) from the different branches of Cebuana Lhuillier Pawnshop in Pangasinan. On May 18, 2012, Vizcarra issued a show cause memorandum directing Camacho to explain why no disciplinary action should be taken against him for violating PJLI's Code of Conduct and Discipline which prohibited the bringing along of non-employees during the QTP operations.<sup>7</sup> Camacho, in his Memorandum,<sup>8</sup> apologized and explained that the violation was an oversight on his part for lack of sleep and rest. With busy official schedules on the following day, he requested his mother's personal driver, Jose Marasigan *(Marasigan)* to drive him back to Pangasinan. He admitted that Marasigan rode with him in the service vehicle during the QTP operations.

During the formal investigation on June 1, 2012, Camacho admitted that he brought along a non-employee, Marasigan, during the QTP operations on May 15, 2012. He explained that on May 12, 2012, he went home to Manila to celebrate Mother's Day with his family on May 13, 2012. He drove himself using the service vehicle assigned to him and arrived in Manila at around 11:00 o'clock in the evening. As he was expecting a hectic work schedule the following day and was feeling tired due to lack of sleep for the past few days, he asked Marasigan to drive him back to Pangasinan so he could catch some sleep on the way. Marasigan was supposed to return to Manila on May 15, 2012, but because he was scheduled to go back to Manila on May 18, 2012, to attend a regional conference in Antipolo, he asked the former to remain in Pangasinan so that they could travel back together to Manila on May 17, 2012. On the day of the QTP operations, Marasigan drove the service vehicle from his apartment to the Area Office. Upon reaching the Area Office, the Area Driver took over while Marasigan sat in the backseat of the vehicle. Camacho admitted that he knew that it was prohibited to bring unauthorized personnel, especially a non-employee, during the QTP operations because this was discussed in the seminars facilitated by the company's Security Service Division. He only realized his mistake at the end of their 13-branch stop when he noticed that his companions were unusually quiet throughout the trip.<sup>9</sup> It was also discovered

<sup>&</sup>lt;sup>5</sup> Id. at 31.

<sup>&</sup>lt;sup>6</sup> Id. at 30-31.

<sup>&</sup>lt;sup>7</sup> Id. at 31-32.

<sup>&</sup>lt;sup>8</sup> Id. at 56.

<sup>&</sup>lt;sup>9</sup> Id. at 58.

that Camacho committed another violation of company policy when he allowed an unauthorized person to drive a company vehicle.

On June 14, 2012, the Formal Investigation Committee issued the Report of Formal Investigation.<sup>10</sup> The committee concluded that Camacho was guilty as charged. It could not accept his explanation that the confidentiality of the QTP operation slipped his mind because of his exhausting travel to Manila and, thus, recommended that his services be terminated. According to the report, his act of bringing along an unauthorized person, a non-employee, during the QTP operation was a clear violation of an established company policy designed to safeguard the pawnshop against robberies and untoward incidents. His act was a "willful neglect of duty which cause[d] prejudice to the Company."<sup>11</sup>

On the basis of the June 14, 2012 Report of Formal Investigation, Vizcarra issued to Camacho the Notice of Disciplinary Action<sup>12</sup> where he was meted the penalty of Termination. This prompted him to file a complaint<sup>13</sup> before the Labor Arbiter (*LA*) against the petitioners for illegal dismissal, money claims, damages, and attorney's fees.

The LA Ruling

In its May 14, 2013 Decision,<sup>14</sup> the LA sustained Camacho's termination. He reasoned out in this wise:

As such, the fact that the Complainant admitted that he violated the rules and regulations of the Respondents by bringing along his driver, a non-employee and an unauthorized person, during the "QTP" operations, despite being fully aware that the same was prohibited, the Respondents were clearly justified to terminate the employment of the Complainant on the ground of loss of trust and confidence in view of the trust reposed upon the Complainant by the Respondents by virtue of his position as Area Operations Manager.

Further, this Office finds that the Respondents have complied with the requirements of due process because, aside from the show-cause memorandum xxx, an administrative hearing was held in order to give the Complainant an opportunity to explain his side of the controversy.

Verily, there being a just cause to terminate the Complainant coupled by the compliance with the requirements of due process, it logically follows that the Complainant was not illegally dismissed.<sup>15</sup> [Emphasis and Underscoring Supplied]

<sup>&</sup>lt;sup>10</sup> Id. at 60-62.

<sup>&</sup>lt;sup>11</sup> Id. at 62.

<sup>&</sup>lt;sup>12</sup> Id. at 63.

<sup>&</sup>lt;sup>13</sup> Id. at 64-65.

<sup>&</sup>lt;sup>14</sup> Id. at 114-121. Penned by Labor Arbiter Rommel R. Veluz.

<sup>&</sup>lt;sup>15</sup> Id. at 120.

Aggrieved, Camacho appealed the LA decision to the NLRC, questioning the harshness of the penalty meted out by PJLI. He argued that the infractions were purely unintentional and no more than an oversight on his part.

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#### The NLRC Ruling

In its August 30, 2013 Decision, the NLRC *reversed* and *set aside* the May 14, 2013 Decision of the LA. It declared the dismissal of Camacho as illegal. It opined that there was no indication that Camacho, in allowing his mother's driver to be present during the conduct of the QTP operation, was motivated by malicious intent so as to construe the infraction as serious misconduct punishable by dismissal. The infraction, if at all, constituted "nothing more than an oversight or inadvertence, if not a necessity for him to conserve his energy and stay alert during the QTP Operation" xxx. The conduct could not be considered as gross so as to warrant the imposition of the supreme penalty of dismissal.<sup>16</sup>

Dissatisfied with the said pronouncement, PJLI filed its Motion for Reconsideration<sup>17</sup> praying that the May 14, 2013 Decision of the LA be reinstated.

After a re-evalution of the case, in its December 27, 2013 Resolution, the NLRC found cogent reason to *set aside* its August 30, 2013 Decision. It ruled that Camacho's transgression of the company policy warranted his termination from the service. It wrote:

Xxx. When the complainant brought his personal drive and allowed the latter to ride in the company vehicle during the QTP operations on 15 May 2012, in utter violation of the respondent company's policy, the same was detrimental not only to the interests of the respondent company, but also to the interest of the persons who pawned the *"rematado"* items.<sup>18</sup>

Thus, the decretal portion of the decision reads:

IN VIEW WHEREOF, the Respondent's Motion for Reconsideration is **GRANTED** and the assailed Decision is hereby **SET ASIDE**. The Labor Arbiter's Decision is hereby **REINSTATED**.

SO ORDERED.<sup>19</sup>

<sup>&</sup>lt;sup>16</sup> Id. at 153.

<sup>&</sup>lt;sup>17</sup> Id. at 157-163.

<sup>&</sup>lt;sup>18</sup> Id. at 170.

<sup>&</sup>lt;sup>19</sup> Id. at 174.

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Camacho moved for a reconsideration but his motion was denied in the NLRC Resolution of February 10, 2014.

Aggrieved, Camacho filed a petition for *certiorari* under Rule 65 of the Rules of Court before the CA.

#### The CA Ruling

In its August 28, 2015 Decision, the CA reversed the NLRC resolutions. It held that contrary to the findings of the LA and the NLRC, the misconduct of Camacho was not of a serious nature as to warrant a dismissal from work. At most, said the CA, he was negligent and remiss in the exercise of his duty as an AOM. There was no evidence that would show that said act was performed with wrongful intent. Moreover, Camacho's termination from work could not be justified on the ground of loss of trust and confidence. For loss of trust and confidence to be a valid ground, explained the CA, it must be based on willful breach of the trust reposed in the employee by his employer. The breach must have been made intentionally, knowingly, and purposely without any justifiable excuse as distinguished from an act done carelessly, thoughtlessly, heedlessly or inadvertently. In this case, the CA found that Camacho's act of bringing along his mother's driver during the QTP operation was not willful as it was not done intentionally, knowingly and purposely. It was committed carelessly, thoughtlessly, heedlessly or inadvertently. Even Camacho himself admitted that it was merely a case of human error on his part, the same being prompted by his desire to finish his work as soon as possible.<sup>20</sup>

In sum, the CA held that Camacho was illegally dismissed. The *fallo* of the assailed decision reads:

WHEREFORE, the instant Petition is GRANTED. The Resolutions promulgated on December 27, 2013 and February 10, 2014 of the NLRC, 4<sup>th</sup> Division, Quezon City in NLRC LAC No. 06-001854-13 are hereby **REVERSED** and **SET ASIDE**. The Decision of the said Commission promulgated on August 30, 2013 declaring the dismissal of petitioner as illegal is hereby **REINSTATED**.

#### SO ORDERED.<sup>21</sup>

In February 19, 2016 Resolution,<sup>22</sup> the CA denied PJLI's motion for reconsideration.

Hence, this petition.

<sup>&</sup>lt;sup>20</sup> Id. at 35-37.

<sup>&</sup>lt;sup>21</sup> Id. at 39-40.

<sup>&</sup>lt;sup>22</sup> Id. at 42-44.

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#### **ISSUES:**

WHETHER OR NOT THE HONORABLE COURT OF APPEALS COMMITTED SERIOUS ERROR OF LAW IN RULING THAT PETITIONER FAILED TO COMPLY WITH THE SUBSTANTIVE REQUIREMENTS OF DUE PROCESS IN THE DISMISSAL OF RESPONDENT.

WHETHER OR NOT THE HONORABLE COURT OF APPEALS COMMITTED SERIOUS ERROR OF LAW IN RULING THAT THE PENALTY OF DISMISSAL WAS DISPROPORTIONATE TO THE INFRACTION COMMITTED DUE TO LACK OF MALICIOUS INTENT ON THE PART OF RESPONDENT.

#### WHETHER OR NOT THE HONORABLE COURT OF APPEALS COMMITTED SERIOUS ERROR OF LAW IN RULING THAT RESPONDENT IS ENTITLED TO REINSTATEMENT, BACKWAGES, 14<sup>TH</sup> MONTH PAY AND ATTORNEY'S FEES.<sup>23</sup>

Petitioner PJLI basically argues that Camacho was guilty of serious misconduct when he brought along an unauthorized driver during the QTP operation prompting it to lose trust and confidence in him. Such was a valid ground for his dismissal from service.

First, the CA failed to consider the fact that during the QTP operation, it was neither Camacho nor his personal driver who drove the company car. As a policy, in a QTP operation, a company driver *(Area Driver)* is assigned to do the driving. As AOM, his participation in a QTP operation was limited to oversee the safe transport of company assets. He was not to drive the vehicle. A driver was already assigned to him. As such, the fact that he was feeling under the weather was not a good reason to bring along his mother's driver. This was the reason why during the course of the QTP operations, his personal driver had to seat only at the back of the vehicle. The presence of his personal driver was simply unnecessary, unjustified, and unwanted.<sup>24</sup>

Second, PJLI has lost its trust and confidence on Camacho. PJLI considered his breach of the said established security protocol as willful, contrary to the CA's finding. PJLI finds it hard to believe that his act was done carelessly, thoughtlessly, heedlessly or inadvertently. It points out that on the day before the May 15, 2012 QTP operation, he left his personal driver in his apartment when he went to work on that day. On the day of the QTP operation, however, a day which he knew that there would be a delicate operation, he decided to bring him along. Clearly, the act was intended and not a mere oversight.<sup>25</sup>

<sup>23</sup> Id. at 18.

<sup>&</sup>lt;sup>24</sup> Id. at 19-20.

<sup>&</sup>lt;sup>25</sup> Id. at 22.

Third, considering the attendant circumstances surrounding the controversy, PJLI insists that the penalty of dismissal was proper. As AOM, Camacho was expected to administer and oversee the operations of the branches in his area. He was the eyes and ears of the company in all the operations and the overall performances of his area. He was the steward of the assets of the company so much so that the highest level of trust and confidence was reposed on him. This trust was lost when he breached a strict security regulation designed to protect the assets and employees of PJLI. The act in question was a disregard of PJLI's mandate, a behavior deleterious to the latter's interest.

Finally, PJLI reiterates that it complied with the requirements of both substantive and procedural due process in effecting Camacho's dismissal; thus, the latter was not entitled to reinstatement, backwages, 14<sup>th</sup> month pay, and attorney's fees.

#### Position of Camacho

In his Comment,<sup>26</sup> dated July 28, 2016, Camacho countered that when he let his personal driver join the QTP operation, he merely acted carelessly, thoughtlessly or heedlessly and not intentionally, knowingly, purposely, or without justifiable excuse. Simply put, the act was a mere oversight.<sup>27</sup> As such, his transgression could not be considered so gross as to warrant his termination. To consider "gross neglect of duty," the negligence must be "characterized by the want of even slight care, acting or omitting to act in a situation where there is a duty to act, not inadvertently but wilfully and intentionally, with a conscious indifference to consequences insofar as other persons may be affected."<sup>28</sup>

According to Camacho, considering that his act was not done intentionally, knowingly, purposely, or without justifiable excuse, it could not be the basis for loss of trust and confidence, a ground for dismissal.<sup>29</sup> The infraction "was brought about by poor physical and health condition of the respondent which caused his indecision in bringing along his mother's driver in the QTP operations to assist him."<sup>30</sup>

Camacho asserted that he should not be meted out with the ultimate penalty of dismissal especially that no material damage was incurred by PJLI.

- <sup>26</sup> Id. at 258-267.
- <sup>27</sup> Id. at 259.

<sup>&</sup>lt;sup>28</sup> Id. at 259-260.

<sup>&</sup>lt;sup>29</sup> Id. at 261. <sup>30</sup> Id. at 262.

#### The Court's Ruling

The Court finds merit in the petition.

The core issue to be resolved in this case is whether respondent Camacho was illegally dismissed.

Security of Tenure v. Management Prerogative

To begin with, it is well to recognize the Court's discussion in *Imasen Philippine Manufacturing Corp.*, v. Alcon,<sup>31</sup> on security of tenure viz-à-viz management prerogative, to wit:

The law and jurisprudence guarantee to every employee security of tenure. This textual and the ensuing jurisprudential commitment to the cause and welfare of the working class proceed from the social justice principles of the Constitution that the Court zealously implements out of its concern for those with less in life. Thus, the Court will not hesitate to strike down as invalid any employer act that attempts to undermine workers' tenurial security. All these the State undertakes under Article 279 (now Article 293) of the Labor Code which bar an employer from terminating the services of an employee, except for just or authorized cause and upon observance of due process.

In protecting the rights of the workers, the law, however, does not authorize the oppression or self-destruction of the employer. The constitutional commitment to the policy of social justice cannot be understood to mean that every labor dispute shall automatically be decided in favor of labor. The constitutional and legal protection equally recognize the employer's right and prerogative to manage its operation according to reasonable standards and norms of fair play.

Accordingly, except as limited by special law, an employer is free to regulate, according to his own judgment and discretion, all aspects of employment, including hiring, work assignments, working methods, time, place and manner of work, tools to be used, processes to be followed, supervision of workers, working regulations, transfer of employees, worker supervision, layoff of workers and the discipline, dismissal and recall of workers. As a general proposition, an employer has free reign over every aspect of its business, including the dismissal of his employees as long as the exercise of its management prerogative is done reasonably, in good faith, and in a manner not otherwise intended to defeat or circumvent the rights of workers.<sup>32</sup>

<sup>&</sup>lt;sup>31</sup> G.R. No. 194884, October 22, 2014, 739 SCRA 186.

<sup>&</sup>lt;sup>32</sup> Id. at 194-195.

From the foregoing, the Court is now tasked with the balancing of Camacho's right to security of tenure and of PJLI's right to terminate erring employees in its exercise of its management prerogative.

# Loss of Trust and Confidence

Article 282(c) of the *Labor Code* authorizes the employer to dismiss an employee for committing fraud or for willful breach of trust reposed by the employer on the employee. Loss of confidence, however, is never intended to provide the employer with a blank check for terminating its employeea.<sup>33</sup> "Loss of trust and confidence" should not be loosely applied in justifying the termination of an employee. Certain guidelines must be observed for the employer to cite loss of trust and confidence as a ground for termination. Loss of confidence should not be simulated. It should not be used as a subterfuge for causes which are improper, illegal, or unjustified. Loss of confidence may not be arbitrarily asserted in the face of overwhelming evidence to the contrary. It must be genuine, not a mere afterthought to justify earlier action taken in bad faith."<sup>34</sup> For loss of trust and confidence to be valid ground for termination, the employer must establish that: (1) the employee holds a position of trust and confidence; and (2) the act complained against justifies the loss of trust and confidence.<sup>35</sup>

The first requisite mandates that the erring employee must be holding a position of trust and confidence. Loss of trust and confidence is not a onesize-fits-all cause that can be applied to all employees without distinction on their standing in the work organization. Distinction yet should be made as to what kind of position of trust is the employee occupying.

The law contemplates two (2) classes of positions of trust. The first class consists of *managerial employees*. They are as those who are vested with the power or prerogative to lay down management policies and to hire, transfer, suspend, layoff, recall, discharge, assign or discipline employees or effectively recommend such managerial actions. The second class consists of *cashiers, auditors, property custodians, etc.* who, in the normal and routine exercise of their functions, regularly handle significant amounts of money or property.<sup>36</sup>

The question now is: To what classification does Camacho belong?

The parties do not dispute that Camacho was hired by PJLI as AOM of Area 213 which covered the province of Pangasinan. He was primarily

<sup>&</sup>lt;sup>33</sup> Lagahit v. Pacific Concord Container Lines, G.R. No. 177680, January 13, 2016.

<sup>&</sup>lt;sup>34</sup> Wesleyan University Philippines, v. Reyes, G.R. No. 208321, July 30, 2014, 731 SCRA 516, 530-531.

<sup>&</sup>lt;sup>35</sup> Lagahit v. Pacific Concord Container Lines, supra note 33.

<sup>&</sup>lt;sup>36</sup> Prudential v. NLRC, 687 Phil. 351, 363 (2012).

responsible for administering and controlling the operations of branches in his assigned area, ensuring cost efficiency, manpower productivity and competitiveneness. He was also responsible for overseeing/monitoring the overall security and integrity in the area, including branch personnel safety, in coordination with PJLI's Security Services Division.<sup>37</sup> In fact, as stated by the CA, his position required the utmost trust and confidence as it entailed the custody, handling, or care and protection of PJLI's property.<sup>38</sup> Furthermore, as AOM, he was among those employees authorized to participate in the QTP operations. He was tasked in overseeing the safe transport and handling of company assets during the said operations.<sup>39</sup>

Clearly from the foregoing, it can be deduced that Camacho held a managerial position and, therefore, enjoyed the full trust and confidence of his superiors. As a managerial employee, he was "bound by more exacting work ethics" and should live up to this high standard of responsibility."<sup>40</sup>

The second requisite for loss of confidence as a valid ground for termination is that it must be based on a willful breach of trust and founded on clearly established facts.

As can be culled from the records of the case, Camacho admitted that he had committed a breach of trust when he brought along his mother's driver, an unauthorized person, during the QTP operation, a very sensitive and confidential operation. As explained by PJLI in its petition for review:

Xxx. On a daily basis, each Cebuana Lhuillier Pawnshop branch accepts valuable jewelry items, among other personal properties, as collaterals for loans extended to its customers (pawners). When the loans expire without the pawners redeeming their collaterals, the items are considered foreclosed or *rematado*. The *rematado* items are then collected from the different Cebuana Lhuillier branches within the area by authorized personnel for transport and deposit to another location. Thus, a single incident of rematado pull-out involves millions and millions worth of jewelry items. This process of collection of rematado items is so sensitive and confidential that even the procedure itself is referred to by code, that is, "QTP operations." The schedule and route of a QTP operation are kept confidential by the AOM and the Regional Manager until the actual date and only a select group of area personnel are authorized to join the operation, namely, the AOM, the ATA or in their absence the Area Cashier, and the Area Driver. Even branch personnel are not privy to the schedule of the pull-out of their branch's rematado items. These regulations and procedures are in place for a reason. PJLI has been victimized by highway roberry, hold-up and hijack incidents in the past. As it can no longer afford to put its assets and lives and safety of

<sup>&</sup>lt;sup>37</sup> *Rollo*, p. 12.

<sup>&</sup>lt;sup>38</sup> Id. at 37.

<sup>&</sup>lt;sup>39</sup> Id. at 159.

<sup>&</sup>lt;sup>40</sup> Reyes-Rayel v. Philippine Luen Thai Holdings, Corp., 690 Phil. 533, 547 (2012).

its employees at risk, Petitioner adopted confidential and stringent rules on QTP operations.<sup>41</sup> [Emphasis and Underscoring supplied]

In order to save himself from the effects of his transgression, Camacho leans on the argument that his indiscretion was only an oversight and human error on his part and that his missteps did not result to damage or loss on PJLI.<sup>42</sup> For this reason, he claims he should not be penalized with termination from the service.

The Court is not persuaded.

Camacho, as AOM, was a managerial employee. As such, he could be terminated on the ground of loss of confidence by mere existence of a basis for believing that he had breached the trust of his employer. Proof beyond reasonable doubt is not required. It would already be sufficient that there is some basis for such loss of confidence, such as when the employer has reasonable ground to believe that the concerned employee is responsible for the purported misconduct and the nature of his participation therein. This distinguishes a managerial employee from a fiduciary rank-and-file where loss of trust and confidence, as ground for valid dismissal, requires proof of involvement in the alleged events in question, and that mere uncorroborated assertion and accusation by the employer will not be sufficient.<sup>43</sup>

In this case, there was such basis. It was established that Camacho had breached PJLI's trust when he took an unauthorized person with him to the QTP operation which was already a violation of company existing policy and security protocol. His explanation that his alleged misdeed was brought about by his poor physical and health condition on that day could not prevail over two significant details that PJLI pointed out in its petition, to wit:

First of all, the Honorable Court of Appeals failed to consider one very important fact---- it was NOT Respondent nor his personal driver who drove the service vehicle during the QTP operations. A company driver, more specifically the Area Driver, is assigned to perform this task, and he is one of only three (3) authorized personnel allowed to be present during a QTP operation. Xxx. He is **NOT authorized to drive the vehicle. He is not expected to perform any heavy physical work during this procedure.** Thus, whether Respondent was not in his best health condition that day is immaterial. There was no excuse at all for Respondent to bring his personal driver. As a matter of fact, all that Respondent's driver did during the May 15, 2012 pull-out of rematado items was to sit back and watch while the highly-confidential operation was in progress.

<sup>&</sup>lt;sup>41</sup> *Rollo*, pp. 20-21.

<sup>&</sup>lt;sup>42</sup> Id. at 262.

<sup>&</sup>lt;sup>43</sup> Lima Land, Inc. v. Cuevas, 635 Phil. 36, 48-49 (2010).

Clearly, the presence of Respondent's personal driver was unnecessary, unjustified, and unwarranted.

Secondly, the Honorable Court of Appeals overlooked a very crucial detail in the sequence of events relating to the instant case. A day prior to the May 15, 2012 QTP operations, Respondent personal driver was left behind in his (Respondent's) apartment in Pangasinan while Respondent went through his usual work routine. If he was able to do this on May 14, 2012, why did he bring his driver to work on May 15, 2012? Assuming he could not leave his driver behind in his apartment, he should have at least asked the driver to wait in his office until the QTP operations in 13 pawnshop branches was completed. It is therefore mysterious, highly suspicious in fact, that Respondent had to bring his driver on the day he was to conduct a highly-critical and confidential operation, a schedule he himself has pre-determined.<sup>44</sup> [Emphases Supplied]

Simply put, his act was without justification. For this transgression, petitioner PJLI was placed in a difficult position of withdrawing the trust and confidence that it reposed on respondent Camacho and eventually deciding to end his employment. "Unlike other just causes for dismissal, trust in an employee, once lost is difficult, if not impossible, to regain."<sup>45</sup> PJLI cannot be compelled to retain Camacho who committed acts inimical to its interests. A company has the right to dismiss its employees if only as a measure of self-protection.<sup>46</sup>

Finally, although it may be true that PJLI did not sustain damage or loss on account of Camacho's action, this is not reason enough to absolve him from the consequence of his misdeed. The fact that an employer did not suffer pecuniary damage will not obliterate the respondent's betrayal of trust and confidence reposed on him by his employer.<sup>47</sup>

WHEREFORE, the petition is GRANTED. The assailed August 28, 2015 Decision and the February 19, 2016 Resolution of the Court of Appeals in CA-G.R. SP No. 134879 are **REVERSED** and **SET ASIDE**. The December 27, 2013 Resolution of the National Labor Relations Commission in NLRC LAC No. 06-001854-13 is **REINSTATED**.

#### SO ORDERED.

JOSE CATRAL MENDOZA Associate Justice

<sup>&</sup>lt;sup>44</sup> Rollo, pp. 19-20.

<sup>&</sup>lt;sup>45</sup> Matis v. Manila Electric Company, G.R. No. 206629, September 14, 2016.

<sup>&</sup>lt;sup>46</sup> Alvarez v, Golden Tri Bloc, Inc., 718 Phil. 415, 428 (2013).

<sup>&</sup>lt;sup>47</sup> United South Dockhandlers, Inc. v. National Labor Relations Commission, 335 Phil. 76, 81-82 (1997).

WE CONCUR:

Vap

**ANTONIO T. CARPIO** Associate Justice Chairperson

**DIOSDADO M. PERALTA** Associate Justice

.F. LE MARV Associate Justice

FRANCIS H. JARDEĽEZA **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.

ANTONIO T. CÁRPIO Associate Justice Chairperson, Second Division

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## 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.

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MARIA LOURDES P. A. SERENO Chief Justice