

HDI HOLDINGS PHILIPPINES, INC., COMPLAINANT, VS. ATTY. EMMANUEL N. CRUZ, RESPONDENT.

A.C. No. 11724 (Formerly CBD No. 14-4109). July 31, 2018

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PER CURIAM:

Before the Court is an administrative complaint filed by complainant HDI Holdings Philippines, Inc. (HDI), represented by Darmono N. Castillo,[1] against respondent Atty. Emmanuel N. Cruz (Atty. Cruz) for violations of Canons 16.01, 16.02, 16.03, 16.04 and 17 of the Code of Professional Responsibility (CPR).

The facts are as follows:

HDI is a domestic corporation duly organized and existing under the laws of the Philippines with office address at 4th Floor, Francisco Gold I Condominium, 784 Edsa, Quezon City, Philippines.

In its complaint, HDI alleged that on July 10, 2010, they retained the services of Atty. Cruz as its in-house corporate counsel and corporate secretary. In the beginning, HDI's directors and officers were pleased with Atty. Cruz's performance, thus, in time, he earned their trust and confidence that he was eventually tasked to handle the corporation's important and confidential matters. Ultimately, Atty. Cruz became a friend to most of HDI's directors, officers and staff members.

However, HDI lamented that Atty. Cruz's seeming friendliness was apparently a mere facade in order to gain the trust of HDI's officers and directors for his financial gain. HDI averred that through Atty. Cruz's deception and machinations, he managed to misappropriate a total of Forty--One Million Three Hundred Seventeen Thousand One Hundred Sixty-Seven and Eighteen Centavos (P41,317,167.18), in the following manner, to wit:

The cash bid and the unpaid personal loans

On September 21, 2011, HDI released Three Million Pesos (P3,000,000.00) in cash to Atty. Cruz to be used as cash bid for the purchase of a parcel of land located at E. Rodriguez Sr. Avenue. Atty. Cruz signed a cash voucher dated September 21, 2011 evidencing the receipt of the said amount.[2]

However, after HDI lost in the bid, Atty. Cruz failed to promptly return the money to the company. HDI made several demands to Atty. Cruz for the return of the money but it was only after four (4) months, or on January 18, 2012, when Atty. Cruz finally returned the said amount. Because Atty. Cruz eventually returned the P3 million, HDI gave him the benefit of the doubt and continued to trust him.

A few months later, sometime in April 2012, Atty. Cruz approached HDI's officers and asked for a Four Million Peso (P4,000,000.00) personal loan allegedly to be used in purchasing his house. Based on his promises and his position with the company, HDI's officers loaned him the said amount. A Contract of Loan[3] was executed on April 30, 2012 between Atty. Cruz and Chia Tzu Chern, one of HDI's officers, where the former agreed to pay his loan in the amount of Four Million Pesos (P4,000,000.00) by June 15, 2012.

Thereafter, on May 3, 2012, Atty. Cruz informed the management of HDI that there was going to be another

bidding for the E. Rodriguez property. On May 9, 2012, he sent an e-mail[4] to Conchita G. Nicolas, the Corporate Treasurer, asking for Three Million Pesos (P3,000,000.00) for the bid deposit. Banking on his assurances to HDI that the same amount was fully refundable and/or convertible as earnest money for the sale, HDI again gave Three Million Pesos (P3,000,000.00) to Atty. Cruz, who signed a check voucher[5] dated May 10, 2012 evidencing receipt of the said amount.

Few days later, Atty. Cruz asked for an additional Three Million Pesos (P3,000,000.00) for the bid deposit, claiming that it will be added to their earlier bid deposit of P3,000,000.00, and that the same was likewise refundable and/or convertible as earnest money for the sale. On May 14, 2012, Atty. Cruz signed the check voucher[6] acknowledging receipt of the additional P3 million as cash bid bond.

On July 18 and 19, 2012, Atty. Cruz sent e-mails[7] to HDI's Chairman, Brandon Chia and begged for another Four Million Pesos (P4,000,000.00) as personal loan. He alleged that his brother has a serious gambling problem, and that their family had been threatened by several loan sharks because of his brother's debts. The additional P4,000,000.00 personal loan was supposedly to pay off his brother's debts and keep his family out of harm. Feeling sorry for Atty. Cruz, Mr. Chia agreed to give him a loan out of his own pocket.

Thereafter, HDI learned that it did not win the rebidding on the E. Rodriguez property. Thus, HDI demanded for the immediate return of the Six Million Pesos (P6,000,000.00) bid bond. However, despite several and repeated demands, Atty. Cruz did not heed the same.

Later, in an e-mail[8] dated September 27, 2012, Atty. Cruz confessed that he converted the allotted cash bid bond in the total amount of P6,000,000.00 for his personal use, to wit:

x x x It was at this time sir that my brother told us that he still had some obligations with some other financiers and that he was getting death threats already. My mom said that she really doesn't know how to pay for all of it immediately because of the staggering amount (14M including the first 4M). During that time sir I was supposed to get the bid bond for the second bid for the property beside our newly-acquired Petron property. We followed the same cash bid procedure sir in our first attempt to acquire the property. However, instead of remitting back the bond money after the bid just like in our first attempt, out of desperation and for fear of the life of my family, I unilaterally decided to use that money sir instead of returning it. I thought of using it first to settle with the financiers and thereafter seek the help of other friends so I can immediately return the money to which failed to do sir.

Sir, in relaying to you this, I am not justifying or trying to rationalize out what I've done. I just wanted to relay what really happened. Bottom line sir, I know what I did was wrong sir and I deeply apologize for my act. I know I have affected a lot of things by my acts. I have not only placed myself at risk but also the company. My personal concerns got in the way of my work and for that I'm truly sorry.

Believing Atty. Cruz's sincerity in his apology and that he truly acted out of concern for his family, HDI forgave him and agreed to just convert the misappropriated Six Million Pesos (P6,000,000.00) into another loan. Thus, another Contract of Loan[9] was executed, this time for the amount of Ten Million Pesos (P10,000,000.00), representing the second Four Million Pesos (P4,000,000.00) loan made in July, plus the missing Six Million Pesos (P6,000,000.00). On September 15, 2012, Atty. Cruz also executed an acknowledgment, admitting his Ten Million Peso (P10,000,000.00) outstanding debt to Mr. Chia.[10]

Transaction concerning the property covered by TCT No. 75276

Sometime in the last quarter of 2011, Capital Growth Inc. (CGI), a corporation wholly-owned by HDI Holdings, Inc., through Atty. Cruz, arranged and facilitated the purchase of a parcel of land covered by Transfer Certificate of Title (TCT) No. 75276[11] which was co-owned by Francisco G. Castillo, Francisco Castillo, and Cristina C.

Castillo.

On December 21, 2011, Atty. Cruz sent an e-mail to Mr. Chia, informing him that CGI intended to make payment of the purchase price of the property and thus requested Mr. Chia, being the Chairman of HDI, for an amount of Twenty-Six Million Nine Hundred Eighty-Seven Thousand Five Hundred Pesos (P26,987,500.00). The said amount was released by CGI, upon Atty. Cruz's instructions to one Atty. Mauro Anthony Cabading III (Atty. Cabading), the alleged attorney-in-fact of the Castillo family, who duly acknowledged receipt of the payment.[12]

Thereafter, CGI asked Atty. Cruz several times about the transfer of the title of the property to the company's name but the latter gave no definite answers. Consequently, on July 16, 2013, or more than a year later, a representative of CGI met with Francisco C. Castillo, the seller. It was then that HDI discovered that the purchase price of the property was only Twenty-Five Million Two Hundred Ninety-Eight Thousand Four Hundred Pesos (P25,298,400.00) and that they only received the said amount, and not the P26,987,500.00 as Atty. Cruz's claimed. Further, the Castillo family informed them that they never authorized Atty. Cabading to be their attorney-in-fact.

After discovering the discrepancy of P1,689,100.00 from the true purchase price of the property, CGI demanded from Atty. Cruz and Atty. Cabading the return of the difference in the overpriced amount. However, despite numerous verbal demands made by HDI, Atty. Cruz failed to return the P1,689,100.00.

The fictitious sale of a certain Quezon City property covered by TCT no. N-308973

On May 10, 2012, Atty. Cruz sent an e-mail[13] to Mr. Chia, informing him of a 500 square meter property for sale located in Quezon City, covered by TCT No. N-308973. They were told that the owner of the Quezon City property died, and the heirs who now owned the same were already entertaining buyers. Atty. Cruz further stated in his e mail that:

As advised by their lawyer, the family is really intending to sell it already so sir we might need to firm up in paper with them already as [there] are other interested parties, I would like to ask for your advise regarding the offer that I will be making to sir.[14]

On May 12, 2012, Atty. Cruz sent another e-mail[15] to Mr. Chia confirming the meeting with the sellers and their lawyer and alleged that he offered P42,500.00 per square meter, as advised, which price the heirs found acceptable. Thereafter, Atty. Cruz advised Mr. Chia that the heirs required an earnest money of P5,000,000.00 but the full payment of the purchase price of P21,250,000.00 should immediately follow. He added that it was subject to full reimbursement in the event the heirs defaulted in the contract.

Because Atty. Cruz emphasized the urgency of the sale, HDI immediately started processing the earnest money of P5,000,000.00 to be given to the heirs. Atty. Cruz then informed HDI that the check should be payable again to Atty. Cabading, the alleged family lawyer of the heirs.

On May 15, 2012, HDI gave a Planters Bank Cashier's Check No. 578376[16] in the amount of Five Million Pesos (P5,000,000.00) to Atty. Cruz as earnest money for the QC property. In return, copies of the contract to sell and deed of absolute sale signed by a certain Federico Castillo II as the seller were given to HDI.[17]

On May 23, 2012, HDI released to Atty. Cruz another cashier's check[18] in the amount of Sixteen Million Two Hundred Fifty Thousand Pesos (P16,250,000.00) representing the balance on the full purchase price of the Q.C. property, payable to Atty. Cabading. The two manager's checks were deposited into the Banco De Oro Account No. 2138009864 of Cabading.

Thereafter, HDI followed up with Atty. Cruz the transfer of the title of the QC property in its name but nothing

happened. Consequently, HDI directly communicated with one of the heirs, Mr. Jose Castillo. To HDI's surprise, it turned out that the QC property was never sold to HDI, and the owners of the QC property was not at all interested in selling the property. Further, HDI found out that the alleged heirs did not have a family lawyer by the name of Atty. Cabading. The signed copies of the contract to sell and deed of absolute sale turned out to be mere forgeries as there was also no person in the name of Federico Castillo II, the supposed named seller in the documents.

Due to this discovery, HDI demanded from Atty. Cruz the return of the total amount of Twenty One Million Two Hundred Fifty Thousand Pesos (P21,250,000.00), which was released to him for the purchase of the Q.C. property. To date, Atty. Cruz has ignored HDI's demands, and there has been no attempt on his part to return the P21,250,000.00 he pocketed.

The unremitted rentals

CGI owned two (2) parcels of land located at E. Rodriguez Sr. Avenue covered by TCT Nos. 104620 and 104621 which were being leased to Petron Corporation until March 6, 2018.

Since 2011, HDI, through CGI, has not received rental payments from Petron. Consequently, in the afternoon of July 2, 2013, the Executive Assistant to the Chairman of HDI, Ms. Wilhelmina Liwanag, called Petron to inquire and/or follow up on the unpaid rentals from 2011 to 2012 due to HDI as the new owner of CGI. She was then informed that two (2) checks were already released to Atty. Cruz after he presented a Secretary's Certificate^[19] authorizing himself to receive the rental payments.

The next day, Ms. Liwanag, together with the Chairman of HDI and a director of CGI, went to the office of Petron at SMC Head Office complex to verify the truth of Petron's officer's claims. They went presented the following documents:

- a. The unauthorized Secretary's Certificate dated January 10, 2013^[20] which purportedly authorized Atty. Cruz and a certain Adolph Ilas to collect the rental payments for the subject property;
- b. Acknowledgment receipts for the rental payments signed by Atty. Cruz;^[21]
- c. Photocopies of the checks received by Atty. Cruz, i.e., the first check received on January 18, 2013 in the amount of Two Million One Hundred Fifty Thousand Two Hundred Eighty-Two Pesos and Twenty-Five Centavos (P2,150,282.25);^[22] and the second check, in the form of manager's check received on March 12, 2013 in the amount of Two Million Two Hundred Fifty-Seven Thousand Seven Hundred Eighty-Four Pesos and Ninety-Three Centavos (P2,257,784.93);^[23] and
- d. Two Bureau of Internal Revenue Forms No. 2307 with Atty. Cruz as the named payee.^[24]

Upon discovery, HDI immediately demanded from Atty. Cruz the rental payments in the total amount of Four Million Four Hundred Eight Thousand Sixty-Seven Pesos and Eighteen Centavos (P4,408,067.18)^[25] which he failed to turn over.

Later, HDI finally decided to confront him about his actions. On July 4, 2013, Atty. Cruz went to HDI's office where he broke down and admitted to everything. After writing his confession,^[26] Atty. Cruz likewise tendered his resignation from HDI. On the same occasion, Atty. Cruz's relatives were present and also expressed their commitment to help pay Atty. Cruz's debts with HDI.^[27]

However, even after several demand letters, Atty. Cruz failed to return the misappropriated money.

Considering the above-cited actuations of Atty. Cruz, it is evident that he violated Canon 1, Rule 1.01, Rule 1.02, Canon 7, Rule 7.03, Rules 16.01, 16.02, 16.03, 16.04 and 17 of the Code of Professional Responsibility. HDI

alleged that Atty. Cruz failed to live up to the standards expected of a lawyer, thus, he should be disbarred from the practice of law.

On February 5, 2014, the Integrated Bar of the Philippines (IBP) directed Atty. Cruz to file his Answer on the complaint against him.[28]

During the mandatory conference before the IBP-Commission on Bar Discipline (IBP-CBD), only the counsel for HDI appeared. Thus, on October 7, 2014, the IBP-CBD terminated the preliminary mandatory conference and directed the parties to submit their respective position papers.

On July 6, 2015, in its Report and Recommendation,[29] the IBP-CBD recommended that Atty. Cruz be disbarred from the practice of law.

In a Resolution No. XXII-2016-446[30] dated August 27, 2016, the IBP-Board of Governors resolved to adopt and approve the report and recommendation of the IBP-CBD.

RULING

We adopt the findings and recommendation of the IBP.

In administrative cases against lawyers, the quantum of proof required is preponderance of evidence which the complainant has the burden to discharge. Preponderance of evidence means that the evidence adduced by one side is, as a whole, superior to or has a greater weight than that of the other. It means evidence which is more convincing to the court as worthy of belief compared to the presented contrary evidence.[31]

However, in the instant case, Atty. Cruz has chosen to remain silent despite the severity of the allegations against him. He was given several opportunities to comment on the charges yet no comment came. The natural instinct of man impels him to resist an unfounded claim or imputation and defend himself. It is totally against our human nature to just remain reticent and say nothing in the face of false accusations. Silence in such cases is almost always construed as implied admission of the truth thereof. Consequently, we are left with no choice but to deduce his implicit admission of the charges levelled against him. Qui tacet consensive videtur. Silence gives consent.[32]

Thus, we find that the evidence submitted by HDI, albeit secondary evidence only being mere photocopies, when put together with Atty. Cruz' written confession[33] and his subsequent non-cooperation during the proceedings before the IBP, would give a convincing conclusion that indeed Atty. Cruz is guilty of the following reprehensible acts, to wit:

- (a) misappropriation of the cash bid in the total amount of P6,000,000.00 which remains unpaid;
- (b) contracting unsecured personal loans with HDI in the total amount of P8,000,000.00 which remains unpaid;
- (c) deceiving HDI as to the true selling price of the Q.C. property which resulted in overpayment in the amount of P1,689,100.00 which remains unpaid;
- (d) fabricating a fictitious sale by executing a fictitious contract to sell and deed of sale in order to obtain money in the amount of P21,250,000.00 from HDI which remains unpaid;
- (e) collecting rental payments amounting to P4,408,067.18, without authority, and thereafter, failed to turn over the same to HDI; and
- (f) executing a fake Secretarys Certificate appointing himself as the authorized person to receive the payments of the lease rentals.

Canon 1 and Rule 1.01 of the CPR provide:

CANON 1 - A LAWYER SHALL UPHOLD THE CONSTITUTION, OBEY THE LAWS OF THE LAND AND PROMOTE RESPECT FOR LAW AND LEGAL PROCESSES.

Rule 1.0 - A lawyer shall not engage in unlawful, dishonest, immoral or deceitful conduct.

Good moral character is necessary for a lawyer to practice the profession. An attorney is expected not only to be professionally competent, but to also have moral integrity.[34] Deceit and lack of accountability and integrity reflect on his ability to perform his functions as a lawyer, who is always expected to act and appear to act lawfully and honestly, and must uphold the integrity and dignity of the legal profession. Atty. Cruz failed in these respects as a lawyer.

In the instant case, considering all the above-cited infractions, it is beyond dispute that Atty. Cruz is guilty of engaging in dishonest and deceitful conduct. In several occasions, he manifested a propensity to lie and deceive his client in order to obtain money. Obviously, his misrepresentations in order to compel HDI to release money for cash bids, fictitious purchase of a property, the overpriced purchase price of the Q.C. property and his misrepresentation that he had authority to collect rentals in behalf of HDI and CGI, as well as his execution of fictitious documents to give semblance of truth to his misrepresentations, constitute grave violations of the CPR and the lawyer's oath. These reprehensible conduct of Atty. Cruz without doubt breached the highly fiduciary relationship between lawyers and clients.

This Court also sees it fit to note that the CPR strongly condemns Atty. Cruz's conduct in handling the funds of HDI. Rules 16.01 and 16.02 of the Code provides:

Rule 16.01 - A lawyer shall account for all money or property collected or received for or from the client.

Rule 16.02 - A lawyer shall keep the funds of each client separate and apart from his own and those others kept by him.

The fiduciary nature of the relationship between the counsel and his client imposes on the lawyer the duty to account for the money or property collected or received for or from his client. When a lawyer collects or receives money from his client for a particular purpose as in cash for bidclings and purchase of properties, as in this case, he should promptly account to the client how the money was spent. If he does not use the money for its intended purpose, he must immediately return it to the client. His failure either to render an accounting or to return the money if the intended purpose of the money does not materialize constitutes a blatant disregard of Rule 16.01 of the Code of Professional Responsibility.[35]

Atty. Cruz's failure to return the client's money upon demand gives rise to the presumption that he has misappropriated it for his own use to the prejudice of and in violation of the trust reposed in him by the client. It is a gross violation of general morality as well as of professional ethics; it impairs public confidence in the legal profession and deserves punishment.[36]

Atty. Cruz's unbecoming conduct towards complainant did not stop here. Records reveal that he likewise violated Canon. 16.04 of the CPR, which states that "[a] lawyer shall not borrow money from his client unless the client's interests are fully protected by the nature of the case or by independent advice. Neither shall a lawyer lend money to a client except, when in the interest of justice, he has to advance necessary expenses in a legal matter he is handling/or the client."

In his private capacity, Atty. Cruz requested from HDI, not just one, but two loans of considerable amounts as evidenced by contracts of loan and acknowledgement receipts, the authenticity of which was undisputed. The first

time, he borrowed P4,000,000.00 for the purchase of his house; and the second time, he borrowed another P4,000,000.00 in order to help his brother who allegedly has serious gambling debts. Apparently, these acts of borrowing money were committed by Atty. Cruz in his private capacity but were assented to by HDI because of the trust and confidence it has in him as a lawyer. Worse, the loans were unsecured which left HDI unprotected.

As a rule, a lawyer is not barred from dealing with his client but the business transaction must be characterized with utmost honesty and good faith. The measure of good faith which an attorney is required to exercise in his dealings with his client is a much higher standard that is required in business dealings where the parties trade at arms length. Business transactions between an attorney and his client are disfavored and discouraged by the policy of the law. Hence, comes carefully watch these transactions to assure that no advantage is taken by a lawyer over his client. This rule is founded on public policy for, by virtue of his office, an attorney is in an easy position to take advantage of the credulity and ignorance of his client. Thus, no presumption of innocence or improbability of wrongdoing is considered in an attorney's favor.[37] Clearly, in the instant case, Atty. Cruz's acts of contracting unsecured personal loans and receiving money as loan proceeds from HDI, and thereafter failing to pay the same are indicative of his lack of integrity and sense of fair dealing.

The Court has repeatedly emphasized that the relationship between a lawyer and his client is one imbued with trust and confidence. And as true as any natural tendency goes, this "trust and confidence" is prone to abuse. The rule against borrowing of money by a lawyer from his client is intended to prevent the lawyer from taking advantage of his influence over his client. The rule presumes that the client is disadvantaged by the lawyer's ability to use all the legal maneuverings to renege on his obligation. In *Frias v. Atty. Lozada*,[38] the Court categorically declared that a lawyer's act of asking a client for a loan, as what Atty. Cruz did, is unethical and that the act of borrowing money from a client was a violation of Canon 16.04 of the CPR.

Corollary, in borrowing money from HDI and thereafter failing to pay the same within the agreed period, Atty. Cruz failed to uphold the integrity and dignity of the legal profession. We, thus, likewise find Atty. Cruz equally liable for violating Canon 7 of the CPR which reads: Canon 7 - A lawyer shall at all times uphold the integrity and dignity of the legal profession and support the activities of the Integrated Bar.

That being said, the Court has consistently held that deliberate failure to pay just debts constitutes gross misconduct, for which a lawyer may be sanctioned. Lawyers are instruments for the administration of justice and vanguards of our legal system. They are expected to maintain not only legal proficiency, but also a high standard of morality, honesty, integrity and fair dealing so that the people's faith and confidence in the judicial system is ensured. They must, at all times, faithfully perform their duties to society, to the bar, the courts and to their clients, which include prompt payment of financial obligations.[39]

Finally, Atty. Cruz's indifference to the IBP's directives to file his comment on the allegations against him cannot be countenanced. He disregarded the proceedings before the IBP despite receipt of summons and notices. Atty. Cruz's act of not filing his answer and ignoring the hearings set by the Investigating Commissioner, despite due notice, further aggravated his already disgraceful attitude.[40] As an officer of the Court, Atty. Cruz is expected to know that said directives of the IBP, as the investigating arm of the Court in administrative cases against lawyers, is not a mere request but an order which should be complied with promptly and completely.[41]

Considering the above-cited infractions, it is, thus, beyond dispute that Atty. Cruz demonstrated not just disregard of his duties as a lawyer but a wanton betrayal of the trust of his client and, in general, the public. For taking advantage of the trust and confidence of the complainant, for engaging in dishonest and deceitful conduct and fraudulent acts for personal gain, and disrespecting the IBP due to non-compliance of its directive to file comment, His acts constitute malpractice and gross misconduct in his office as attorney. His propensity to defraud

his client, and the public in general, render him unfit to continue discharging the trust reposed in him as a member of the Bar. Atty. Cruz, indeed, deserves no less than the penalty of disbarment.

However, insofar as the return of the misappropriated money, the same should be qualified. As to the money which Atty. Cruz borrowed as personal loan, the Court cannot order him to return the money the borrowed from complainant in his private capacity. Complainant may tile a separate civil case against Atty. Cruz for this purpose.

In *Foster v. Atty. Agtang*,^[42] the Court held that it cannot order the lawyer to return money to complainant if he or she acted in a private capacity because its findings in administrative cases have no bearing on liabilities which have no intrinsic link to the lawyer's professional engagement. In disciplinary proceedings against lawyers, the only issue is whether the officer of the court is still fit to be allowed to continue as a member of the Bar. The only concern of the Court is the detennination of respondent's administrative liability. Its findings have no material bearing on other judicial actions which the parties may choose against each other.^[43]

However, insofar as the money received by Atty. Cruz from HDI, in his professional capacity, to wit: P6,000,000.00, representing the total amount released for bidding;^[44] P21,250,000.00, representing the total amount released for the purported purchase of a property which turned out to be fictitious;^[45] P4,408,067.18 representing the unremitted rentals from Petron,^[46] and P1,689,100.00 representing the overpayment in the overpriced Q.C. property,^[47] these amounts should be returned as it was borne out of their professional relationship.

PENALTY

Jurisprudence reveals that in similar cases^[48] where lawyers abused the trust and confidence reposed in them by their clients as well as committed unlawful, dishonest, and deceitful conduct, as in this case, the Court found them guilty of gross misconduct and disbarred them.

As the infractions in the foregoing cases are similar to those committed by Atty. Cruz, in the instant case, the Court deems that the same penalty of disbarment be imposed against him. Clearly, as herein discussed Atty. Cruz committed deliberate violations of the Code as he dishonestly dealt with HDI and misappropriated the funds intended to a specific purpose for his personal gain. Atty. Cruz, thus, deserves the ultimate punishment of disbarment.

IN VIEW OF ALL THE FOREGOING, we find respondent ATTY. EMMANUEL CRUZ, guilty of gross misconduct by violating the Canon of Professional Responsibility through his unlawful, dishonest, and deceitful conduct, and willful disobedience of lawful orders rendering him unworthy of continuing membership in the legal profession. He is thus ordered DISBARRED from the practice of law and his name stricken off of the Roll of Attorneys, effective immediately.

Furthermore, Atty. Cruz is ORDERED to RETURN to complainant HDI the amounts of P6,000,000.00, P21,250,000.00, P4,408,067.18 and P1,689,100.00, with legal interest, if it is still unpaid, within ninety (90) days from the finality of this Decision.

Let copies of this Decision be furnished the Office of the Bar Confidant, which shall forthwith record it in the personal file of respondent. All the courts of the Philippines; the Integrated Bar of the Philippines, which shall disseminate copies thereof to all its Chapters; and all administrative and quasi-judicial agencies of the Republic of the Philippines.

SO ORDERED.

Carpio, (Senior Associate Justice), Velasco, Jr., Leonardo-De Castro, Peralta, Bersamin, Del Castillo, Perlas-Bernabe, Leonen, Jardeleza, Caguioa, Martires, Tijam, Reyes, Jr., and Gesmundo, JJ., concur.

[1] In a Board Resolution, HDI authorized Darmono N. Castillo to represent them in the institution of the instant case against Atty. Cruz; rollo, p. 18.

[2] Rollo, p. 20.

[3] Id. at 21-22.

[4] Id. at 22.

[5] Id. at 23.

[6] Id. at 25.

[7] Id. at 26-27.

[8] Id. at 28-29. (Emphasis supplied)

[9] Id. at 30-31.

[10] Id. at 32.

[11] Id. at 33-35.

[12] Id. at 36.

[13] Id. at 37.

[14] Id.

[15] Id. at 38.

[16] Id. at 40.

[17] Id. at 41-49.

[18] Id. at 142.

[19] Id. at 50.

[20] Id.

[21] Id. at 51.

[22] Id.

[23] Id. at 52.

[24] Id. at 53-54.

[25] Id. at 154-155.

[26] Id. at 55-58.

[27] Id. at 59-60.

[28] Id. at 70.

[29] Id. at 171-181.

[30] Id. at 169-170.

[31] Ylaya v. Atty. Gacott, 702 Phil. 390, 407-408 (2013).

[32] Judge Noel-Bertulfo v. Nuñez, 625 Phil. 111, 121 (2010), citing Grefaldeo v. Judge Lacson, 355 Phil. 266, 271 (1998).

[33] Supra note 26.

[34] See Arciga v. Maniwang, 193 Phil. 730, 735 (1981).

[35] See Treñas v. People, 680 Phil. 368, 387 (2012).

[36] Id.

[37] Nakpil v. Atty. Valdes, 350 Phil. 412, 424 (1998).

[33] 513 Phil. 512, 521 (2005).

[39] Barrientos v. Atty. Libiran-Meteoro, 480 Phil. 661, 671 (2004).

[40] Rollo, p. 171.

[41] Gone v. Atty. Ga, 662 Phil. 610, 617 (2011).

[42] 749 Phil. 576, 596 (2014).

[43] Roa v. Atty. Moreno, 633 Phil. 1, 8 (2010).

[44] Supra note 3.

[45] Supra note 17.

[46] Supra note 25.

[47] Supra note 13.

[48] Tabang v. Atty. Gacott, 713 Phil. 578 (2013); Brennisen v. Atty. Contawi, 686 Phil. 342 (2012); Sabayle v. Hon. Tandayag, 242 Phil. 224 (1988); Daroy v. Legaspi, 160 Phil. 306 (1975).

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