

FELIPE D. LAUREL,[1] COMPLAINANT, VS. REYMELIO M. DELUTE, RESPONDENT.*A.C. No. 12298. September 01, 2020*Read online (full-text search, related cases, audio case brief): <https://batas.org/library/a-c-no-12298/>**PER CURIAM:**

Before the Court is an Affidavit-Complaint[1] filed by complainant Felipe D. Laurel (complainant) against respondent Reymelio M. Delute (respondent), seeking that the latter be disbarred for misleading and deceiving his own client.

The Facts

In the Affidavit-Complaint filed before the Integrated Bar of the Philippines (IBP), it was alleged that complainant engaged the services of respondent as counsel in a dispute against Azucena Laurel-Velez (Azucena) involving a parcel of land that complainant inherited from his father (subject land). Sometime in 2003, respondent fetched complainant and his wife from their home to sign certain documents. Due to his lack of educational background, complainant wanted to bring his daughter (who is a college graduate) during the meeting to assist them, but respondent refused.[2]

Upon arriving at their destination, respondent represented to complainant and his wife that Azucena were to pay them partial rental payments for the land in the amount of P300,000.00, and in connection therewith, presented to them documents to sign. Initially, complainant refused to sign the documents as he did not understand its contents (which were written in English), but due to respondent's prodding, he eventually did. After signing the documents and before parting ways with complainant and his wife, respondent allegedly took P100,000.00 out of the P300,000.00 given by Azucena.[3]

Later on, complainant found out that, contrary to respondent's earlier representations, the documents which he signed were: (a) a Compromise Agreement[4] which effectively caused him to cede his rights over the land that he inherited from his father; and (b) a receipt stating that he received the amount of P300,000.00 in consideration therefor.[5] Further, he also found out that through the Compromise Agreement, respondent was granted a three (3)-meter wide perpetual road right of way on the subject land. Aggrieved not only by the lack of instruction coming from his own legal counsel but also the latter's own active incitement for him to sign these documents and double-dealing, Laurel filed the instant administrative case, seeking that respondent be disbarred.[6]

Respondent failed to file any responsive pleading despite due notice.[7]

The IBP's Report and Recommendation

In a Report and Recommendation[8] dated April 28, 2015, the IBP Investigating Commissioner recommended that respondent be found administratively liable and be meted with the supreme penalty of disbarment.[9]

The Investigating Commissioner found that respondent failed to conduct himself as a lawyer "with all good fidelity" to his client when he failed to explain to complainant and his wife the true import of the documents that he made them sign. Worse, it appears that respondent willfully manipulated complainant and his wife into signing

the Compromise Agreement, considering the benefit he will gain from it, i.e., the grant of a right of way in his favor, not to mention the P100,000.00 that he took from the P300,000.00 given to complainant. In addition, the Investigating Commissioner opined that respondent's administrative liability is further aggravated when he ignored the processes of the IBP in connection with the instant administrative complaint.[10]

In a Resolution[11] dated November 29, 2017, the IBP Board of Governors modified the Investigating Commissioner's recommendations, lowering the recommended penalty to a five (5)-year suspension from the practice of law, and further imposing a fine in the amount of P5,000.00 for disobeying the orders of the IBP to file responsive pleadings in the instant proceedings.[12]

Subsequent to the foregoing, respondent filed a Motion to Lift Suspension from the Practice of Law,[13] which complainant opposed.[14] In this Motion, respondent did not specifically deny the allegations in the complaint, and instead, invoked laches, contending that it took complainant nine (9) years before filing the instant administrative complaint. He likewise insisted on the validity of the Compromise Agreement, arguing, inter alia, that complainant' already sought the declaration of nullity of the Compromise Agreement through the filing of Civil Case No. T-2497 before the Regional Trial Court of Toledo City, Cebu, Branch 50 but the suit was dismissed, albeit on the ground of lack of jurisdiction.[15]

The Issue Before the Court

The issue for the Court's resolution is whether or not respondent should be held administratively liable for the acts he committed against complainant.

The Court's Ruling

Preliminarily, the Court deems it appropriate to address respondent's invocation of laches due to the supposed delay in filing the instant administrative complaint. Suffice it to say that "[t]he Court's disciplinary authority cannot be defeated or frustrated by a mere delay in filing the complaint, or by the complainant's motivation to do so. The practice of law is so intimately affected with public interest that it is both a right and a duty of the State to control and regulate it in order to promote the public welfare." [16] Hence, prescription [17] or laches [18] cannot be said to apply in disciplinary proceedings against erring lawyers, as in this case.

For another, respondent further insists that the Compromise Agreement remains to be valid, considering that the civil case filed by complainant for the declaration of its nullity, i.e., Civil Case No. T-2497, had already been dismissed. Thus, it cannot be said that he manipulated and/or deceived complainant into signing the same.[19]

In this, relation, the dissent [20] advances the view that the Court should refrain from passing upon the allegation that respondent manipulated and/or deceived complainant into signing the Compromise Agreement as it would necessarily delve into the validity thereof. In support, the case of *Medina v. Lizardo* (Medina) [21] was cited, viz.:

However, we refrain from passing upon the finding of the Investigating Commissioner that Atty. Lizardo was guilty of deceit in allegedly inducing Silvestra and the heirs of Alicia into selling their interest in all three lots covered by the subject TCTs in the Extrajudicial Settlement with Sale when their purported intention was to sell only the parcels covered by TCT No. 13866. The matter of fraud in the execution of said agreement which will have implications on its validity and legal effects must be first threshed out by the parties in the appropriate proceedings.[22] (Emphasis and underscoring supplied)

Notably, Medina echoes a line of case law [23] stating that when a resolution of an administrative disciplinary case against a lawyer would necessarily delve into issues which are proper subjects of judicial action, it is prudent for the Court to dismiss the administrative case without prejudice to the filing of another one, depending on the final outcome of the judicial action.[24]

However, during the deliberations of this case, it was ruminated that the above-described doctrine of restraint as pronounced in the Medina, et al. rulings unduly fetters - and in fact, diminishes - the Court's exclusive and plenary power to discipline members of the Bar. In addition, it was highlighted that said rulings run counter to the overwhelming body of jurisprudence which consistently holds that administrative cases for the discipline of lawyers may proceed independently from civil and/or criminal cases despite involving the same set of facts and circumstances.[25]

After a careful consideration of these conflicting rulings, the Court has now decided to abandon Medina and other cases wherein a similar doctrine of restraint was espoused. As will be discussed below, the Court is not precluded from examining respondent's actuations in this administrative case if only to determine his fitness to remain as a member of the Bar. This is regardless of the fact that this administrative case involves similar or overlapping factual circumstances with a separate civil case.

It is well-settled that "disciplinary proceedings against lawyers are sui generis in that they are neither purely civil nor purely criminal; they involve investigations by the Court into the conduct of one of its officers, not the trial of an action or a suit." [26]

The Court's authority to discipline the members of the legal profession is derived from no other than its constitutional mandate to regulate the admission to the practice of law. Section 5 (5), Article VIII of the 1987 Constitution provides:

ARTICLE VIII

JUDICIAL DEPARTMENT

x x x x

Section 5. The Supreme Court shall have the following powers:

x x x x

(5) Promulgate rules concerning the protection and enforcement of constitutional rights, pleading, practice, and procedure in all courts, the admission to the practice of law, the integrated bar, and legal assistance to the underprivileged.

x x x x

The Court's disciplinary authority over members of the Bar is in recognition of the fact that lawyers are not merely professionals, but are also considered officers of the court. As such, they are called upon to share in the responsibility of dispensing justice and resolving disputes in society. Hence, it cannot be denied that the Court has "plenary disciplinary authority" over members of the Bar.[27] As earlier intimated, in the exercise of such disciplinary powers - through proceedings which are sui generis in nature - the Court merely calls upon a member of the Bar to account for his actuations as an officer of the Court with the end in view of preserving the purity of the legal profession. In so doing, the Court aims to ensure the proper and honest administration of justice by purging the profession of members who, by their misconduct, have proven themselves no longer worthy to be entrusted with the duties and responsibilities of an attorney.[28]

In a catena of en banc and division cases spanning from 1928 up to 2018,[29] the Court has consistently held that a lawyer's administrative misconduct may proceed independently from criminal and civil cases, regardless of whether or not these cases involve similar or overlapping factual circumstances. In these cases, the Court has been consistent in ruling that the findings in one type of case will have no determinative bearing on the others.

In *Gatchalian Promotions Talents Pool, Inc. v. Naldoza*,[30] the Court elucidated that:

[A] finding of guilt in the criminal case will not necessarily result in a finding of liability in the administrative case. Conversely, respondent's acquittal does not necessarily exculpate him administratively. In the same vein, the trial court's finding of civil liability against the respondent will not inexorably lead to a similar finding in the administrative action before this Court. Neither will a favorable disposition in the civil action absolve the administrative liability of the lawyer. The basic premise is that criminal and civil cases are altogether different from administrative matters, such that the disposition in the first two will not inevitably govern the third and vice versa. x x x.[31] (Emphasis and underscoring supplied)

In this relation, the Court, in *Bayonla v. Reyes*,^[32] observed that "the simultaneous pendency of an administrative case and a judicial proceeding related to the cause of the administrative case, even if the charges and the evidence to be adduced in such cases are similar, does not result into or occasion any unfairness, or prejudice, or deprivation of due process to the parties in either of the cases."^[33]

Meanwhile, in *Esquivias v. Court of Appeals*,^[34] which involved a lawyer's act that was subject of both a disbarment proceeding and a related civil case for the nullity of a deed of sale, the Court held:

[T]he judgment on the disbarment proceedings, which incidentally touched on the issue of the validity of the deed of sale, cannot be considered conclusive in another action where the validity of the same deed of sale is merely one of the main issues. At best, such judgment may only be given weight when introduced as evidence, but in no case does it bind the court in the second action.^[35] (Emphases and underscoring supplied)

Verily, the independency of criminal, civil, and administrative cases from one another – irrespective of the similarity or overlap of facts – stems from the basic and fundamental differences of these types of proceedings in terms of purpose, parties-litigants involved, and evidentiary thresholds. These key foundational distinctions constitute the rationale as to why a disposition in one case would not affect the other. To briefly recount:

(1) As to purpose, criminal actions are instituted to determine the penal liability of the accused for having outraged the State with his/her crime;^[36] civil actions are for the enforcement or protection of a right, or the prevention or redress of a wrong; ^[37] while administrative disciplinary cases against lawyers are instituted in order to determine whether or not the lawyer concerned is still fit to be entrusted with the duties and responsibilities pertaining to the office of an attorney.^[38]

(2) As to the party-litigants involved, criminal actions are instituted in the name of the State, i.e., People of the Philippines, against the accused, and the private complainant, if any, is regarded merely as a witness for the State;^[39] in civil actions, the parties are the plaintiff, or the person/entity who seeks to have his right/s protected/enforced, and the defendant is the one alleged to have trampled upon the plaintiff's right/s; in administrative proceedings against lawyers, there is no private interest involved and there is likewise no redress for private grievance as it is undertaken and prosecuted solely for the public welfare and for preserving courts of justice from the official ministrations of person unfit to practice law,^[40] and the complainant is also deemed as a mere witness.^[41]

(3) As to evidentiary thresholds, criminal proceedings require proof beyond reasonable doubt; ⁴² civil actions necessitate the lower threshold of preponderance of evidence;^[43] and administrative disciplinary proceedings against lawyers need only substantial evidence.^[44]

Again, owing to these basic and fundamental differences, a finding in one type of case should have no binding determinative effect in the disposition of another. This is because a civil, criminal or administrative proceeding must be adjudged according to the case type's own peculiar and distinct parameters. Accordingly, the dissent's fear that the findings in an administrative case would undermine the findings made in a separate civil or criminal case involving related facts is a mere impression that is more notional than conceptual.^[45]

In light of the foregoing, the fact that the validity of the Compromise Agreement has yet to be determined in a civil case will not — as it should not - preclude the Court from looking into respondent's acts in relation to the execution of the same agreement if only to determine if respondent is still worthy to remain as a member of the Bar. Thus, the dismissal of Civil Case No. T-2497 must not operate to prevent the Court from adjudging' respondent's administrative liability based on such acts, which matter is, separate and distinct from the question of said document's validity.

At any rate, it should be pointed out that Civil Case No. T-2497 was not dismissed on the merits but only on the procedural ground of lack of jurisdiction over the subject matter. As there was no dismissal on the merits, complainant is not barred by *res judicata*[46] and hence, may re-file the same.

At this juncture, it should be pointed out that the decision to re-file said civil case is the prerogative of complainant, and insofar as this case is concerned, still remains speculative. Thus, to follow the dissent's theory of restraint is tantamount to insinuating that the Court must first bank on complainant's resolve to re-file such civil action and then consequently await its final resolution before it can discipline an erring member of the legal profession. This insinuation is not only preposterous but also diminishes outright the Court's constitutional authority to regulate the legal profession. As case law had already expressed, "it is not sound judicial policy to await the final resolution of [a civil or criminal case] before a complaint against a lawyer may be acted upon; otherwise, this Court will be rendered helpless to apply the rules on admission to, and continuing membership in, the legal profession during the whole period that the [said] case is pending final disposition, when the objectives of the x x x proceedings are vastly disparate. Disciplinary proceedings involve no private interest and afford no redress for private grievance. They are undertaken and prosecuted solely for the public welfare and for preserving courts of justice from the official ministrations of persons unfit to practice law. The attorney is called to answer to the court for his conduct as an officer of the court." [47]

Indeed, the Court's power to discipline members of the Bar through administrative disciplinary proceedings is not - as it should not be - beholden to the acts and decisions of private complainants, who are merely witnesses thereto.[48] The Court's disciplinary power is derived from no other than the Constitution which gives it the exclusive and plenary power to discipline erring lawyers. As earlier mentioned, the main thrust behind this authority is to preserve the purity of the legal profession, which in turn, affects the administration of justice itself. Therefore, the Court's ability to discipline' unfit members of the Bar is unquestionably imbued with great public interest and thus, should not be hindered by extraneous circumstances that are separately taken into account in criminal or civil cases which arise from a similar set of facts.

At the risk of belaboring the point, the Court's only concern in an administrative case is the determination of whether or not the lawyer involved is still fit to remain as a member of the Bar.[49] As herein applied, the only issue in this case is whether or not respondent violated his oath as lawyer by manipulating and/or deceiving complainant into signing the Compromise Agreement; this issue is fundamentally different from the issue of the instrument's due execution and authenticity. To resolve the latter, it is necessary that a civil action be duly instituted by complainant against the instrument's counterparty (i.e., Azucena) before a court of competent jurisdiction. Said civil case will then be adjudged based on the evidence therein submitted by the parties and resolved according to its own parameters that are separate and distinct from the instant administrative proceeding.[50] To highlight the disparity, it must be pointed out that, among others: (a) Azucena is not even a party to this case, and thus, has not submitted his own evidence to uphold the Compromise Agreement; (b) the evidentiary threshold to be used in the prospective civil case is preponderance of evidence which is entirely different from substantial evidence as utilized in this case; and (c) in invalidating the Compromise Agreement, the civil principle that "he who alleges fraud or mistake affecting a transaction must substantiate his allegation, since

it is presumed that a person takes ordinary care of his concerns and that private transactions have been fair and regular,"[51] will be followed, whereas in this administrative case, these presumptions do not attend.

For all the foregoing reasons, the Court should not shirk from its responsibility to holistically examine respondent's actuations that resulted into complainant's signing of the Compromise Agreement, and consequently, impose the appropriate disciplinary sanction/s based thereon.

The Code of Professional Responsibility (CPR), particularly, Canon 1 and Rule 1.01 thereof, provide:

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

Rule 1.01 – A lawyer shall not engage in unlawful, dishonest, immoral or deceitful conduct.

x x x x

Based on jurisprudence, the foregoing postulates instruct that "as officers of the court, lawyers are bound to maintain not only a high standard of legal proficiency, but also of morality, honesty, integrity, and fair dealing."[52]

Clearly, respondent fell short of these ethical standards when he deceived and strong-armed complainant and his wife into signing documents which effectively waived their rights and interests over the land that complainant inherited from his father.

Not only that, respondent, through his acts of double-dealing, also violated Canon 15 and Rule 15.03 of the CPR, which read:

CANON 15 — A LAWYER SHALL OBSERVE CANDOR, FAIRNESS AND LOYALTY IN ALL HIS DEALINGS AND TRANSACTIONS WITH HIS CLIENTS.

x x x x

Rule 15.03 – A lawyer shall not represent conflicting interests except by written consent of all concerned given after a full disclosure of facts.

x x x x

Case law provides that "[i]t behooves lawyers, not only to keep inviolate the client's confidence, but also to avoid the appearance of treachery and double-dealing for only then can litigants be encouraged to entrust their secrets to their lawyers, which is of paramount importance in the administration of justice. The nature of that relationship is, therefore, one of trust and confidence of the highest degree."[53] In this case, respondent breached these ethical standards when he personally profited from the signing of the Compromise Agreement by his client, and even resorted to manipulation in conspiracy with Azucena, the other party.

Respondent's acts further contravene Canons 17 and 18 of the CPR which state that:

CANON 17 — A LAWYER OWES FIDELITY TO THE CAUSE OF HIS CLIENT AND HE SHALL BE MINDFUL OF THE TRUST REPOSED IN HIM.

x x x x

CANON 18 — A LAWYER SHALL SERVE HIS CLIENT WITH COMPETENCE AND DILIGENCE.

x x x x

Jurisprudence explains that once a lawyer agrees to handle a case, he is required to undertake the task with zeal,

care, and utmost devotion. Every case which a lawyer accepts deserves full attention, diligence, skill, and competence, regardless of its importance.[54] Thus, clients are led to expect that lawyers would always be mindful of their cause and, accordingly, exercise the required degree of diligence in handling their affairs. On the other hand, a lawyer is expected to maintain, at all times, a high standard of legal proficiency, and to devote his full attention, skill, and competence to the case, regardless of its importance and whether or not he accepts it for a fee.[55]

Here, respondent not only neglected his duty to protect his own client's interests by failing to explain the true import of the Compromise Agreement; worse, he literally sold out his client's cause in order to gain personal benefits. As mentioned, it is un rebutted that respondent received (a) a P100,000.00 cut from the P300,000.00 paid by Azucena to complainant and his wife, and (b) a three (3)-meter wide perpetual road right of way on the subject land. Anent the latter, item no. 3 of the Compromise Agreement reads:

3. The oppositor [i.e., Azucena] and Gamaliel Casas shall grant to Atty. Reymelio M. Delute, his heirs and assigns, a three-meter wide perpetual road right of way on the subject Lot 4-C, from Atty. Delute's adjoining lot to the nearest public road, which road right of way shall be made into accessible road at the sole expense of the oppositor;[56]

As the Court observes, the straightforwardness and believability of the allegations in the complaint, as buttressed by the benefits received by respondent appearing on the Compromise Agreement, when taken together with respondent's failure to rebut the same despite due notice, already constitute substantial evidence to hold him administratively liable. "It is fundamental that the quantum of proof in administrative cases is substantial evidence. Substantial evidence is that amount of relevant evidence as a reasonable mind might accept as adequate to support a conclusion, even if other minds, equally reasonable, might conceivably opine otherwise." [57]

In closing, the Court must not turn a blind eye away from complainant's claim of misrepresentation based on the mistaken notion that looking into the same will affect a still non-existent civil case to be instituted for the purpose of annulling the agreement in question, as what the dissent proposes. In this case, the Court must focus on the fact that respondent's behavior and deceit demonstrated a preference of self-gain that transgressed his sworn duty of fidelity, loyalty, and devotion to his client's cause, and that his betrayal of the trust reposed on him by his client besmirched the honorable name of the Law Profession.[58]

In *Tan v. Diamante*, [59] the Court held:

Deception and other fraudulent acts by a lawyer are disgraceful and dishonorable. They reveal moral flaws in a lawyer. They are unacceptable practices. A lawyer's relationship with others should be characterized by the highest degree of good faith, fairness and candor. This is the essence of the lawyer's oath. The lawyer's oath is not mere facile words, drift and hollow, but a sacred trust that must be upheld and kept inviolable. The nature of the office of an attorney requires that he should be a person of good moral character. This requisite is not only a condition precedent to the admission to the practice of law, its continued possession is also essential for remaining in the practice of law. We have sternly warned that any gross misconduct of a lawyer, whether in his professional or private capacity, puts his moral character in serious doubt as a member of the Bar, and renders him unfit to continue in the practice of law.[60] (Emphases and underscoring in the original)

In the above case, the erring lawyer was meted with the supreme penalty of disbarment.

Similarly, in the cases of *Krursel v. Abion* [61] *HDI Holdings Philippines, Inc. v. Cruz*, [62] *Billanes v. Latido*, [63] *Justice Lampas-Peralta v. Ramon*, [64] and *Domingo v. Sacdalan*, [65] the erring lawyers therein committed reprehensible acts against their clients which were found to constitute malpractice, gross negligence, and gross misconduct in the performance of their duties as attorneys. According to the Court, their commission of such acts

rendered them unfit to continue discharging the trust reposed in them as members of the Bar.

Likewise, for respondent's acts of self-interested double dealing that led to the detriment of his own client which he has paradoxically sworn to defend and protect, respondent should be disbarred from the practice of law.

WHEREFORE, the Court finds respondent Reymelio M. Delute GUILTY of violating Rule 1.01, Canon 1, Rule 15.03, Canon 15, Canon 17, and Canon 18 of the Code of Professional Responsibility. Accordingly, he is hereby DISBARRED from the practice of law, and his name ordered STRICKEN OFF the Roll of Attorneys, effective immediately.

Let copies of this Decision be furnished to: (1) the Office of the Bar Confidant to be appended to respondent's personal record as an attorney; (2) the Integrated Bar of the Philippines for its information and guidance; and (3) the Office of the Court Administrator for circulation to all courts in the country.

SO ORDERED.

Peralta, C.J., Perlas-Bernabe, Gesmundo, Hernando, Carandang, Lazaro-Javier, Inting, Lopez, Delos Santos, and Gaerlan, JJ., concur.

Leonen, J., see separate concurring opinion.

Caguioa, J., see dissenting and concurring opinion.

J. Reyes, Jr., J., see concurring and dissenting opinion.

Zalameda, J., join the dissenting and concurring opinion of J. Caguioa.

Baltazar-Padilla, J., on leave.

[*] Complainant died on April 6, 2015; see Certificate of Death of Felipe Laurel, rollo, p. 259.

[1] Id. at 151-152

[2] See id. at 151.

[3] See id. at 151-152.

[4] Dated June 12, 2003; id. at 157-159.

[5] See receipt dated June 12, 2003; id. at 156.

[6] See id. at 152. See also id. at 268-269.

[7] Id. at 269.

[8] Id. at 267-273. Signed by Investigating Commissioner Jose Alfonso M. Gomos.

[9] Id. at 273.

[10] See id. at 270-273.

[11] See Notice of Resolution in CBD Case No. 11-3244 signed by Assistant National Secretary Doroteo B. Aguila; id. at 265-266.

[12] Id. at 265.

[13] Dated June 18, 2018; id. at 2-17.

[14] See Opposition to the Motion to Lift Suspension from Practice of Law dated July 10, 2018; id. at 106-123.

[15] See *id.* at 2-15.

[16] *Cabanilla v. Cristal-Tenorio*, 461 Phil. 1, 16 (2003), citing *Sevillav. Salubre*, 401 Phil. 805, 814 (2000); further citation omitted.

[17] See *Heck v. Santos*, 467 Phil. 798, 823-825 (2004) and *Calo, Jr. v. Degamo*, 126 Phil. 802, 805-806 (1967).

[18] In any event, the elements of laches namely: (1) the conduct of the defendant or one under whom he claims, gave rise to the situation complained of; (2) there was delay in asserting a right after knowledge of the defendant's conduct and after an opportunity to sue; (3) defendant had no knowledge or notice that the complainant would assert his right; and (4) there is injury or prejudice to the defendant in the event relief is accorded to the complainant, have not been shown to be obtaining here for respondent's failure to show how iniquitous it would be if the complaint would not be barred. (See *Spouses Aboitiz v. Spouses Po*, 810 Phil. 123, 148; citation omitted.)

[19] See Motion to Lift Suspension from the Practice of Law dated June 18, 2018; rollo, pp. 2-15.

[20] See Dissenting and Concurring Opinion of Associate Justice Alfredo Benjamin S. Caguioa, pp. 6-10.

[21] 804 Phil. 599(2017).

[22] *Id.* at 611.

[23] See *Virgo v. Amarin*, 597 Phil. 182 (2009); *Spouses Williams v. Enriquez*, 722 Phil. 102 (2013); *Felipe v. Macapagal*, 722 Phil. 439 (2013); and *Espanto v. Belleza*, 826 Phil. 412 (2018).

[24] See *Felipe v. Macapagal*, *id.*; *Spouses Williams v. Enriquez*, *id.*; and *Virgo v. Amarin*, *id.*

[25] See *In re: Felipe Del Rosario*, 52 Phil. 399 (1928); *Villanos v. Subido*, 150-A Phil. 650 (1972); *Re: Agripino A. Brillantes, Romeo R. Bringas*, 166 Phil. 449 (1977); *Pangan v. Ramos*, 194 Phil. 1 (1981); *Esquivias v. CA*, 339 Phil. 184 (1997); *Gatchalian Promotions Talents Pool, Inc. v. Naldoza*, 374 Phil. 1 (1999); *Office of the Court Administrator v. Sardido*, 449 Phil. 619 (2003); *Foronda v. Guerrero*, 479 Phil. 636 (2004); *Silva Vda. de Fajardo v. Bugaring*, 483 Phil. 170 (2004); *Po Cham v. Pizarro*, 504 Phil. 273 (2005); *Suzuki v. Tiamson*, 508 Phil. 130 (2005); *Tomlin II v. Moya II*, 518 Phil. 325 (2006); *Saludo, Jr. v. CA*, 522 Phil. 556 (2006); *Gonzalez v. Alcaraz*, 534 Phil. 471 (2006); *Hsieh v. Quimpo*, 540 Phil. 205 (2006); *Guevarra v. Eala*, 555 Phil. 713 (2007); *Yu v. Palaña*, 580 Phil. 19 (2008); *De Jesus v. Guerrero III*, 614 Phil. 520 (2009); *Bayonla v. Reyes*, 676 Phil. 500 (2011); *Bengco v. Bernardo*, 678 Phil. 1 (2012); *Spouses Sounders v. Pagano-Calde*, 766 Phil. 341 (2015); *Philcomsal Holdings Corporation v. Lokin, Jr.*, 785 Phil. 1 (2016); *Yumul-Espina v. Tabaquero*, 795 Phil. 653 (2016); *Espanto v. Belleza*, *supra*.

[26] *Ylaya v. Gacott*, 702 Phil. 390, 406 (2013).

[27] See *Bernardino v. Santos*, 754 Phil. 52, 70 (2015), citing *Zaldivar v. Sandiganbayan*, 248 Phil. 542, 554- 556 (1988).

[28] See *Aniñon v. Sabitsana, Jr.*, 685 Phil. 322, 330 (2012).

[29] See note 25.

[30] 374 Phil. 1 (1999).

[31] *Id.* at 10.

[32] 676 Phil. 500 (2011).

[33] Id. at

[34] 339 Phil. 184 (1997).

[35] Id. at

[36] See *Montelibano v. Yap*, 822 Phil. 262, 273 (2017), citing *Bumatay v. Bumatay*, 809 Phil. 302, 312 (2017).

[37] See Section 3 (a), Rule 1 of the Rules of Court.

[38] See *Office of the Court Administrator v. Sardido*, 449 Phil. 619, 628-629 (2003), citing *Gatchalian Promotions Talents Pool, Inc. v. Naldoza*, *supra*.

[39] See *Montelibano v. Yap*, *supra*, citing *Bumatay v. Bumatay*, *supra*.

[40] *Yu v. Palaña*, 580 Phil. 19, 26 (2008).

[41] See *Ombudsman v. Gutierrez*, 811 Phil. 389, 401 (2017), citing *Paredes v. Civil Service Commission*, 270 Phil. 165, 182 (1990).

[42] See Section 2, Rule 133 of the Rules of Court.

[43] See Section 1, Rule 133 of the Rules of Court.

[44] See Section 5, Rule 133 of the Rules of Court. See also *Reyes v. Nieva*, 794 Phil. 360 (2016); *Arsenio v. Tabuzo*, 809 Phil. 206 (2017); *Alicias v. Baclig*, 813 Phil. 893 (2017); *Robiñol v. Bassig*, 821 Phil. 28 (2017); *Tumbaga v. Teoxon*, 821 Phil. 1 (2017); *Dela Fuente v. Dalangin*, 822 Phil. 81 (2017); *Rico v. Salutan*, 827 Phil. 1 (2018); *BSA Tower Condominium Corporation v. Reyes II*, A.C. No. 11944, June 20, 2018, 867 SCRA 12; *Gubaton v. Amador*, A.C. No. 8962, July 9, 2018, 871 SCRA 127; *Goopio v. Maglalang*, A.C. No. 10555, July 31, 2018; *Billanes v. Latido*, A.C. No. 12066, August 28, 2018; *Vantage Lighting Philippines, Inc. v. Diño, Jr.*, A.C. Nos. 7389 and 10596, July 2, 2019; *Adelfa Properties, Inc. (now Fine Properties, Inc.) v. Mendoza*, A.C. No. 8608, October 16, 2019; *Spouses Nocuenca v. Bensi*, A.C. No. 12609, February 10, 2020.

[45] Awaiting opinions

[46] "The elements of *res judicata* are as follows: (1) the former judgment or order must be final; (2) the judgment or order must be on the merits; (3) it must have been rendered by a court having jurisdiction over the subject matter and the parties; (4) there must be, between the first and the second action, identity of parties, of subject matter and cause of action." (*Taganas v. Emuslan*, G.R. No. 146980, 457 Phil. 305, 311-312 [2003].)

[47] *Yu v. Palaña*, *supra*; citations omitted.

[48] See *Ombudsman v. Gutierrez*, *supra*, citing *Paredes v. Civil Service Commission*, *supra*.

[49] See *Yu v. Palaña*, *supra* note 40, at 26-27.

[50] See *Esquivias v. Court of Appeals*, *supra* note 34, at 193-194.

[51] *Spouses Ramos v. Obispo*, 705 Phil. 221, 230 (2013).

[52] *Spouses Lopez v. Limos*, 780 Phil. 113, 112 (2016), citing *Tabang v. Gacott*, 713 Phil. 578, 593 (2013).

[53] *Paces Industrial Corporation v. Salandanan*, 814 Phil. 93, 101 (2017).

[54] See *San Gabriel v. Sempio*, A.C. No. 12423, March 26, 2019, citing *Padilla v. Samson*, 816 Phil. 954, 956-957 (2017).

- [55] See *id.*, citing *Padilla v. Samson*, *id.* at 958.
- [56] *Rollo*, pp. 157-158.
- [57] *Gubaton v. Amador*, 871 Phil. 127, 133 (2018).
- [58] *Spouses Jacinta v. Bangot, Jr.*, 796 Phil. 302, 317 (2016).
- [59] 740 Phil. 382 (2014).
- [60] *Id.* at 391, citing *Sebastian v. Calis*, 372 Phil. 673, 679 (1999).
- [61] 789 Phil. 584 (2016).
- [62] See A.C. No. 11724, July 31, 2018.
- [63] See A.C. No. 12066, August 28, 2018.
- [64] See A.C. No. 12415, March 5, 2019.
- [65] See A.C. No. 12475, March 26, 2019.

CONCURRING OPINION

LEONEN, J:

I concur with the ponencia. Atty. Reymelio M. Delute (Atty. Delute) should be disbarred.

The essential functions of lawyers are the representation of others and the protection of their rights. Attorneys-at-law act as agents who prosecute or defend their clients' interests. Equipped with their knowledge of the legal system, lawyers owe the highest fidelity to their clients' cause. This is because the attorney-client relationship is "imbued with utmost trust and confidence."^[1]

To effectively discharge this responsibility, any form of conflict of interest should be avoided at all times, with the client's interest placed above the lawyer's. As the primary goal of lawyering is to ensure that the client receives what is due to them by law, remuneration for work done should only be secondary. Here, respondent failed to discharge his responsibility as a lawyer.

The complainant, Felipe D. Laurel (Laurel), and his wife engaged the services of respondent Atty. Delute to assist them in their claim to recover a parcel of land. To supposedly achieve this, they were told by Atty. Delute to sign a document in English—a language they did not understand.^[2] As this would put them at a disadvantage, complainant requested that his daughter, who understood English, be allowed to accompany them during the signing. However, Atty. Delute insisted that only complainant and his wife should come.^[3]

Complainant and his wife did not have a hand in the preparation of the document. They did not negotiate its terms and were not aware of its contents. They initially refused to sign and asked for Atty. Delute to explain its contents, but they were coerced by the latter to just sign the document.^[4] Caught between their doubts and the insistence of their counsel, they ultimately relied on Atty. Delute who promised that they would be able to collect rent on the lot. They were later given P300,000.00, which they believed to be the payment owed to them. From this, Atty. Delute took P100,000.00.^[5]

As it turns out, the document that complainant and his wife signed was a Compromise Agreement containing a

waiver of their claims over the lot. Further, the agreement also contained a stipulation granting Atty. Delute a perpetual right of way over the lot. Complainant and his wife only found out after their daughter came home from Manila and explained the contents of what they had signed.[6]

Atty. Delute abused the confidence his clients placed in him. He left them in the dark and purposefully kept them unaware of the nature of the transactions he brokered. While lawyers, as agents, are entrusted to manage the interests of their clients,[7] this does not grant them the license to transact with others at the expense of their clients' interests. Definitely, lawyers should not use this authority for their personal benefit.[8]

Atty. Delute sold his client's cause by making them sign a waiver of their claims, contrary to what his clients wanted, which was to prosecute their claim over the lot. This could not have escaped Atty. Delute's mind, as he was aware that complainant had previously engaged the services of another counsel for the recovery of the land and the issuance of a Certificate of Land Ownership Award before he took over.[9] Worse, Atty. Delute took advantage of the fact that his clients did not understand the document he made them sign, which allowed him to derive personal benefit from the transaction at his client's expense.

As noted by the Integrated Bar of the Philippines, Atty. Delute willfully manipulated complainant into executing the Compromise Agreement.[10] He also profited P100,000.00 from the P300,000.00 paid to his clients.[11] This deceitful conduct by a lawyer to his clients is deserving of disbarment.

Respondent violated Canon 1, Rule 1.01;[12] Canon 15, Rule 15.03;[13] and Canon 17[14] of the Code of Professional Responsibility by exhibiting dishonest and deceitful conduct when he manipulated his clients into signing a document which they believed was in furtherance of their cause. When his clients expressed doubts as they could not understand the language in which the document was written, respondent not only failed to explain its contents, he also coerced them to sign the document.

Citing *Medina v. Lizardo*,[15] the ponencia refuses to rule on the validity of the Compromise Agreement given the allegations of deceit in securing complainant's consent. *Medina* imposed the lighter penalty of suspension due to insufficiency of evidence to hold the lawyer liable for deceitful conduct:

As previously mentioned, the Investigating Commissioner found that Atty. Lizardo allowed himself to be used by Martinez to supposedly defraud Silvestra and the heirs of Alicia and therefore, held that Atty. Lizardo also violated Canon 1, Rule 1.01 and Canon 7, Rule 7.03 of the Code of Professional Responsibility. However, we refrain from passing upon the finding of the Investigating Commissioner that Atty. Lizardo was guilty of deceit in allegedly inducing Silvestra and the heirs of Alicia into selling their interest in all three lots covered by the subject TCTs in the Extrajudicial Settlement with Sale when their purported intention was to sell only the parcels covered by TCT No. 13866. The matter of fraud in the execution of said agreement which will have implications on its validity and legal effects must be first threshed out by the parties in the appropriate proceedings.[16]

While I agree that the Compromise Agreement's validity cannot be settled in an administrative case, *Medina* should not be used to stop this Court from exercising its disciplinary authority over lawyers until deceit can be proven in a separate civil case. After all, disbarment proceedings are *sui generis* and are not akin to civil or criminal cases. A disbarment proceeding "is intended to cleanse the ranks of the legal profession of its undesirable members in order to protect the public and the courts." [17] It is not a trial or a suit, but an investigation by this Court into its officers' conduct.[18]

The primary objective of administrative cases against lawyers is to protect public interest, as these proceedings determine their fitness to enjoy the privileges of being an attorney. They are not meant to settle rights and controversies between parties as in ordinary cases.[19] Disciplinary cases are distinct, and proceed independently

of civil or criminal cases, since a lawyer's administrative liability "stands on grounds different from those in the other cases." [20]

To determine if a lawyer breached the ethics of his or her profession, this Court is guided by the standards laid down in the Code of Professional Responsibility, as well as the Lawyer's Oath to which all lawyers are bound. One of the most, if not the most, important responsibility of a lawyer is to refrain from dishonest and deceitful conduct. [21] Violating this is enough to hold a lawyer liable.

Facts established during the course of disbarment proceedings which prove violations of the canons or the oath may be admitted and are sufficient for this Court to rule on a lawyer's liability. In *Luna v. Galarrita* [22] where the attorney entered into a compromise agreement without his client's consent, this Court found his conduct deceitful and abusive of his client's trust and confidence. Luna held the lawyer administratively liable based on the facts established before the Investigating Commissioner, even after the client himself subsequently abandoned the issue. [23]

In this case, regular proceedings were conducted before the Integrated Bar of the Philippines, where the affidavit-complaint was filed. Atty. Delute was given several opportunities to dispute the allegations in the complaint: he was twice given the chance to file his answer, and finally, to file his verified position paper. However, he failed to do all of these. [24] Subsequently, the Integrated Bar of the Philippines found that he deceived and manipulated his clients. [25] All findings have basis on record, and both parties have been given the opportunity to be heard. Hence, a separate proceeding to establish the deceit by Atty. Delute, such as a civil case, is unnecessary. In any case, the issue here is his deceitful conduct, and not the validity of the Compromise Agreement.

This is not a simple case of a lawyer deceiving his client. It is aggravated by the fact that Atty. Delute deliberately took advantage of his clients' circumstances and their inability to properly defend themselves. This scheme is revealed when he rejected his clients' pleas to allow their daughter to accompany them as a translator so they could understand the document they would sign. When his clients hesitated and asked him to explain the contents, he refused and threatened them into signing, saying he does not "defend a dead person." [26] He sold his client's cause by making them waive their claims—the complete opposite of what they had wanted. To add insult to injury, he even profited from this.

Clients come to lawyers with faith that their legal problems would be solved and that their interests would be protected. Clients may not even be aware of their rights or lack the skills to defend themselves. Lawyers step in to fill in this gap. As such, they must be careful in handling the confidence reposed in them.

This role is even more pronounced when lawyers represent the disadvantaged—those who have difficulty accessing their legal rights because of personal circumstances like socioeconomic status and level of education, among others. Lawyering, in a much broader sense, is designed to bring those at the margins closer to their rights under the law. Atty. Delute did the opposite of this.

Clearly, he betrayed the very purpose of being an attorney for his clients. His deceitful and opportunistic actions render him unfit to continue being a lawyer.

ACCORDINGLY, I vote to DISBAR Atty. Reymelio M. Delute and to order his name be STRICKEN off from the roll of attorneys.

[1] *Caranza vda. de Saldivar v. Cabanes*, 713 Phil. 530, 537 (2013) [Per J. Perlas-Bernabe, Second Division].

[2] Ponencia, p. 2.

[3] Id.

[4] Id. at 3.

[5] Id. at 2.

[6] Id.

[7] Ramirez v. Buhayang-Margallo, 752 Phil. 473, 480-481 (2015) [Per J. Leonen, En Banc].

[8] Id.

[9] Rollo, p. 2.

[10] Id. at 7.

[11] Id.

[12] Code of Professional Responsibility, Rule 1.01 provides:

Rule 1.01. A lawyer shall not engage in unlawful, dishonest, immoral or deceitful conduct.

[13] Code of Professional Responsibility, Rule 15.03 provides:

Rule 15.03. A lawyer shall not represent conflicting interests except by written consent of all concerned given after a full disclosure of the facts.

[14] Code of Professional Responsibility, Canon 17 provides:

Canon 17. A lawyer owes fidelity to the cause of his [or her] client and he [or she] shall be mindful of the trust and confidence reposed in him.

[15] 804 Phil. 599 (2017) [Per J. Leonardo-De Castro, En Banc].

[16] Id. at 611.

[17] Kimteng v. Young, 765 Phil. 926, 944 (2015) [Per J. Leonen, Second Division].

[18] See In re: Almacen, 142 Phil. 353 (1970) [Per J. Castro, First Division].

[19] Id

[20] Gonzalez v. Alcaraz, 534 Phil. 471, 482 [Per C.J. Panganiban, First Division].

[21] Code of Professional Responsibility, Rule 1.01 provides:

Rule 1.01. A lawyer shall not engage in unlawful, dishonest, immoral or deceitful conduct

[22] 763 Phil. 175 (2015) [Per J. Leonen, En Banc].

[23] Id. at 195.

[24] Ponencia, p. 3.

[25] Id.

[26] Rollo, p. 3.

DISSENTING AND CONCURRING OPINION

CAGUIOA, J.:

The majority holds respondent administratively liable for allegedly (1) deceiving and strong-arming his clients, herein complainant and his wife, into signing a compromise agreement where they effectively waived their rights and interests over a parcel of land[1]; and (2) selling out his client's cause in order to gain personal benefits.[2] These are the acts on which the majority imposes the supreme penalty of disbarment. I submit, however, that respondent may only be held administratively liable for representing conflicting interests and for disobeying the lawful orders of the Integrated Bar of the Philippines (IBP). In this regard, I further submit that it should suffice that respondent be meted the penalty of suspension from the practice of law for two years and a fine of P5,000.00.

In the narration of facts, the ponencia makes reference to a compromise agreement between complainant and his wife, on the one hand, and complainant's cousin, Azucena Laurel-Velez (Azucena), on the other, over their legal dispute over a parcel of land. Complainant makes the following allegations surrounding the circumstances which led to the execution of the said instrument:

- Respondent insisted that only complainant and his wife go with him to the house of Azucena, even after they requested to bring their daughter who could competently assist them;[3]
- Complainant and his wife were given P300,000.00 by Azucena representing partial rentals over the disputed property;[4]
- In connection with the payment of P300,000.00, respondent presented documents to complainant to sign. Initially, complainant was hesitant to sign the documents because he and his wife did not understand the contents thereof, but upon being prodded by respondent, he eventually did.[5]
- Respondent took P100,000.00 out of the P300,000.00 received by complainant and his wife from Azucena;[6] and
- Complainant and his wife belatedly learned that the documents turned out to be a compromise agreement where they waived their rights and interests over the property, and a receipt stating that he received P300,000.00 as consideration therefor.[7]

Based on the foregoing allegations, the majority agrees with complainant that respondent employed deceit against him and his wife into giving their consent to the compromise agreement. It is my view, however, that the Court cannot delve into the validity of the surrounding circumstances in the execution of the compromise agreement in resolving this administrative complaint. Resolving these factual issues alleged by complainant in this administrative proceeding would be improper as the resolution would, as a matter of course, venture into the issue of the validity of the compromise agreement which is purely between private parties. This issue is best threshed out in an appropriate judicial case other than the present disbarment proceeding.[8]

Indeed, the Court has consistently held that administrative suits against lawyers are *sui generis*. This principle can be traced back to the 1970 case of *In Re Almacen*,[9] where the Court debunked the claim that its members were being "complainants, prosecutors and judges" all rolled into one. In clarifying this misapprehension, the Court expounded that a disbarment proceeding is neither purely civil nor purely criminal, and does not involve a trial of an action or a suit. It is rather an investigation by the Court into the conduct of its officers.

Over the years, in a long line of cases, the principle enunciated in *In Re Almacen* evolved with the further view

that disbarment proceedings can proceed independently of civil and criminal cases. Evidently, however, in these cases, the other civil and criminal cases referred to therein implead the respondent-lawyers or are concerned with the determination of their civil and criminal liabilities. As such, in ruling that all three proceedings may proceed simultaneously and independently, the Court distinguished that disbarment proceedings are not concerned with the civil or criminal liabilities of the respondent-lawyer but only with his or her fitness to continue his or her membership in the Bar. The Court further held that disbarment proceedings do not have any material bearing on any other judicial action which the parties (the complainant and the lawyer) may choose to file against each other.[10]

However, the Court has, as well, drawn a bright line in disbarment cases where other legal rights and judicial matters which are related to the questionable acts of the lawyer are present but do not apparently involve the lawyer's civil or criminal liability. In these cases, the civil and criminal cases referred to are between parties that do not include the respondent-lawyer. In other words, the legal rights, interests, and liabilities of other parties are principally at stake and not those of the respondent-lawyer. Thus, in these cases, the Court has limited the issue on whether the respondent-lawyer committed transgressions that would question his fitness to practice law, refraining, at the same time, from discussing issues that are judicial in nature.[11]

To specifically illustrate, in *Espanto v. Belleza*[12] (*Espanto*), Atty. Belleza was charged with deliberate falsehood when he facilitated the demolition of a house belonging to complainant therein on a property subject of a case for recovery of possession that Atty. Belleza was handling. In the interim, complainant agreed to sell the house to Atty. Belleza's client and receive partial payment therefor, with an assurance that the subsequent sale of the house and lot would be relayed to him. The house and lot were subsequently sold to another, and the house of complainant was eventually demolished without his knowledge. In weighing in on Atty. Belleza's guilt, the Court made the following pronouncement:

Well-established is the rule that administrative cases against lawyers belong to a class of their own. These cases are distinct from and proceed independently of civil and criminal cases. Public interest is its primary objective, and the real question for determination is whether or not the attorney is still a fit person to be allowed the privileges as such. Hence, in the exercise of its disciplinary powers, the Court merely calls upon a member of the Bar to account for his actuations as an officer of the Court with the end in view of preserving the purity of the legal profession and the proper and honest administration of justice by purging the profession of members who by their misconduct have proven themselves no longer worthy to be entrusted with the duties and responsibilities pertaining to the office of an attorney. Corollarily, We will limit the issue on whether Atty. Belleza committed transgressions that would question his fitness to practice law, and thus, refrain from discussing issues that are judicial in nature.

x x x x

Given the facts of the case, we find that Atty. Belleza failed to exercise the good faith required of a lawyer in handling the legal affairs of his client. Even without touching the issue of the subject properties' ownership, Atty. Belleza cannot deny that the subject property sold by Nelia to Irene was still pending litigation due to the alleged encroachment of Junielito's house on the property of Nelia. It was precisely the reason why they filed a complaint for recovery of possession against Junielito's relatives. Moreover, when Atty. Belleza sent a notice to vacate Nelia's property to Junielito on November 22, 2010, the civil case was still pending litigation.

As noted by the IBP-CBD, the acknowledgment receipt of P50,000.00 issued by Nelia as witnessed and signed by Atty. Belleza is an evidence by itself that he had knowledge of Junielito's interest on the property even if he disputes the latter's ownership of the subject property. x x x

x x x x

Upon review of the foregoing acknowledgment receipt, it can be inferred that Junielito acknowledged that he received P50,000.00 as partial payment and that he will receive the final percentage of sale price when house and lot by Nelia is sold. It likewise stated therein that Junielito has the right to be informed of the final sale price and other details related to the sale. Considering that Junielito was in fact paid albeit partial and was given the right to be informed of the final sale details, it clearly shows that Nelia and Atty. Belleza recognized Junielito's interest as an owner although it pertains only to a portion of Nelia's property where his house sits. Why else would they agree on informing Junielito of such material information if they knew that he has no right whatsoever with the property being sold.

It should also be pointed out that Atty. Belleza neither denied the existence of the acknowledgment receipt nor the fact that he signed the same. Thus, given the foregoing circumstances, it can be presumed that Atty. Belleza knew that the sale of the property will necessarily affect Junielito. Consequently, when they sold the property of Nelia without informing Junielito despite their agreement to such effect, Atty. Belleza not only breached their agreement and betrayed Junielito's trust; he also instigated a malicious and unlawful transaction to the prejudice of Junielito.[13] (Emphasis and underscoring supplied)

In cases such as *Espanto*, the issues against the conduct of the lawyer are susceptible of bifurcation from other related legal issues at hand over which the Court could not exercise its disciplining authority. This, to my mind, does not mean shirking or conceding responsibility, but is done as a matter of prudence and fairness.[14] This delimitation is, in fact, attuned to the oft-cited principle that "[disciplinary proceedings involve no private interest and afford no redress for private grievance.]"[15] As *Espanto* powerfully illustrates, the exercise does not prevent the Court from examining the allegations in the complaint and the evidence available to determine whether it may still rule on the administrative liability of the lawyer. As will be shown below, this finds application here, too.

Thus, where the questionable conduct of the lawyer is so inextricably linked to a judicial issue between other private parties that ought to be threshed out or is already the subject of a pending litigation, then I submit that the Court is required to refrain from delving into such issue as doing so would be unfairly pre-empting any appropriate action that would be taken by the court or the parties-in-interest.

Again, to illustrate further, the Court in *Virgo v. Amarin*[16] dismissed without prejudice the disbarment case against the lawyer on the ground of the pendency of several civil cases between private parties related to the disbarment case. The Court elaborated in this manner:

Second, Atty. Amarin has pointed out and complainant does not deny, the existence of other cases related to the present disbarment case. Civil Case No. 01-45798, pending before RTC-QC Branch 221, a case for Annulment of Real Estate Mortgage and Foreclosure Proceedings with Damages, Temporary Restraining Order and/or Preliminary Injunction and Preliminary Attachment, filed by LEDI against BPI Leasing and Finance Corp., its officers, the Registrar of Quezon City and the Virgos, assail the foreclosure by BPI of the Virgo Mansion which LEDI claims to have already been sold by the Virgos to them. In claiming ownership of the property, LEDI necessarily has to raise factual matters pertaining to the sale by the Virgos of the property to them, such as the actual selling price, the validity of the deeds of sale, and the terms of payment, which are inextricably intertwined with the present disbarment case.

LRC Case No. Q-15382 (02), a petition for the issuance of writ of possession filed by the BPI before RTC QC Br. 216 seeks to foreclose the Virgo Mansion, which complainant and her husband mortgaged to BPI in 1998, while CA-GR SP. No. 77986 is a petition for certiorari and prohibition asking the CA to stop the judge therein from enforcing the writ of possession issued pursuant to LRC Case No. Q-15382.

While it is true that disbarment proceedings look into the worthiness of a respondent to remain as a member of the bar, and need not delve into the merits of a related case, the Court, in this instance, however, cannot ascertain whether Atty. Amarin indeed committed acts in violation of his oath as a lawyer concerning the sale

and conveyance of the Virgo Mansion without going through the factual matters that are subject of the aforementioned civil cases, particularly Civil Case No. 01-45798. As a matter of prudence and so as not to preempt the conclusions that will be drawn by the court where the case is pending, the Court deems it wise to dismiss the present case without prejudice to the filing of another one, depending on the final outcome of the civil case.[17] (Emphasis and underscoring supplied)

Likewise, in *Felipe v. Macapagal*[18] the Court refused to rule on the allegation of dishonesty against the respondent-lawyer therein because of the presence of other issues which were already brought before a court in a civil case by and between private parties. The Court held that these issues cannot be appropriately settled in the administrative case against the respondent therein. Thus:

At the outset, we note that in order to determine whether respondent is guilty of dishonesty, we will have to delve into the issue of whether the complainants are indeed related to the defendants in Civil Case No. A-95-22906 being half-brothers and half-sisters. We would also be tasked to make an assessment on the authenticity of the Certificate of Marriage which respondent submitted in the proceedings in Civil Case No. A-95-22906. Similarly, we will have to make a ruling on whether the Urgent Motion to Recall Writ of Execution of the Writ of Preliminary Injunction which respondent filed was indeed baseless and irrelevant to the proceedings in Civil Case No. A-95-22906. Clearly, these prerequisites cannot be accomplished in this administrative case.

The resolution of whether the parties are related to each other appears to be one of the issues brought up in Civil Case No. A-95-22906 which is a complaint for Partition, Reconveyance, Declaration of Nullity of Documents and Damages. The complainants claimed that they are the legitimate children of the late Gregorio V. Felipe, Sr. This was rebutted by the defendants therein, as represented by the respondent, who denied their filiation with the complainants. Clearly, the issue of filiation must be settled in those proceedings, and not in this administrative case. The same is true with regard to the issue of authenticity of the Marriage Certificate which was submitted in evidence as well as the relevance of the Urgent Motion to Recall Writ of Execution of the Writ of Preliminary Injunction. x x x[19]

Similarly in this case, a finding for disbarment against respondent would be hinged on the question of whether he indeed manipulated complainant and his wife into signing the compromise agreement. To answer this question would necessarily entail delving into factual matters that would, in turn, confront the issue between complainant and Azucena as to whether the consent of the complainant and his wife in the compromise agreement was vitiated. In other words, the argument about the validity of the compromise agreement between complainant and Azucena stands heavily, if not entirely, on the very participation of respondent in its execution. Significantly, the issue of vitiated consent is not brought up before the Court and is not clearly a proper subject for disposition in this administrative proceeding.

It appears that the ponencia is aware of what a finding on the liability of respondent based on the validity of the compromise agreement would occasion. As such, the ponencia refrains from discussing the manner by which respondent supposedly deceived and strong-armed complainant and his wife into signing the compromise agreement. Rather, it draws the conclusion based on the "straightforwardness and believability of the allegations in the complaint, as buttressed by the benefits received by respondent appearing on the Compromise Agreement." [20] It further concludes that all these circumstances, "when taken together with respondent's failure to rebut the same despite due notice, already constitute substantial evidence to hold him administratively liable." [21] This conclusion, I submit, does not meet the threshold of substantial evidence as it is sweeping and rests essentially on the bare assertions of complainant. Substantial evidence is more than a mere scintilla. [22] It must be real and substantial, and not merely apparent. [23] The presence of a provision in the compromise agreement which grants a right of way in favor of respondent does not unequivocally prove or lend support to the allegation that respondent had used machinations against his clients or had been motivated to act against their

interests. Likewise, the fact that respondent obtained P100,000.00 from complainant does not conclusively indicate any impropriety on the part of respondent. In the same vein, respondent's silence during the proceedings before the IBP should neither be taken as his effective admission of any wrongdoing, nor a signal to the Court that the allegations in the complaint have been effectively proven. Even if respondent has chosen to be silent during the proceedings before the IBP, the complainant is not discharged of his burden to prove his allegations against respondent.

All in all, I find no real comfort in the proffered justification that a different set of facts may properly exist in different cases that involve a different set of parties on the ground, among others, that the purposes in each case may be different. The purposes of an administrative case and a civil case are, indeed, fundamentally different. But, again, in order to resolve the very issue of dishonesty and deceit on the part of herein respondent in this proceeding would mean tackling the issue on the due execution of the instrument. There is no roundabout way to do it. It is incorrect, therefore, to reduce the allegation of manipulation against respondent as a mere incidental or collateral issue.

In the same manner, to maintain that the resolution of the alleged manipulation of respondent in this administrative case would nonetheless be inconclusive in another related action and be limited to the purposes of this proceeding seems, in my view, essentially implausible.

Facts are facts. There simply cannot be two versions of the same truth. To allow a resolution in this disbarment proceeding of the alleged manipulation of respondent against his client in the execution of the compromise agreement would create a situation where the "facts" as already established before Civil Case No. T-2497 would now be different from the "facts" established here. This would be unacceptable. The ineluctable consequence in such situation would mean having conflicting or contradictory "findings of facts," that would cast a cloud of uncertainty over Civil Case No. T-2497.

As it stands, Civil Case No. T-2497 was dismissed by the Regional Trial Court (RTC) of Toledo City, Cebu on the ground of lack of jurisdiction on the subject matter. True, the dismissal may have been without prejudice and does not operate as *res judicata*, but even so, it cannot be denied that for the Court now to lend credence to the allegations of complainant in this administrative proceeding would undermine the judicial basis for the dismissal of the civil case. To my mind, regardless of the kind of dismissal which attended Civil Case No. T-2497, the fact remains that the validity of the compromise agreement is no longer in dispute. It can now only be viewed by the Court as valid.

Moreover, it should likewise be noted that the notarized compromise agreement appears to have already been approved by the Department of Agrarian Reform Regional Office (DARRO) in its July 15, 2003 Order in DARRO Case No. A-0700-060-2002, an administrative case between complainant and Azucena over the disputed property.^[24] As a result the case was amicably settled in 2003, or nine years before the present disbarment suit against respondent was instituted.^[25]

Similar to my view as regards the dismissal of Civil Case No. T-2497, to make contrary "factual findings" in this administrative case will also undermine the abovementioned July 15, 2003 Order issued by the DARRO and would amount to a collateral attack on the validity of the compromise agreement.

The fear that generating conflicting "findings of facts" will unnecessarily and unwarrantedly foment more litigation between the contending parties (i.e., between complainant and Azucena) and hence, defeat — rather than promote — the tenets of the orderly administration of justice, is legitimate. It is truly not hard to imagine that any "findings of facts" the Court makes in this disbarment proceeding can and will be used by complainant in another civil litigation against Azucena as basis for having the compromise agreement annulled. In fact, in *Esquivias v.*

CA,[26] while the Court held that the factual findings in a disbarment case are conclusive only in said proceedings and not to a related action, it acknowledged, nevertheless, that the judgment in the disbarment case may, at best, be given weight when introduced as evidence in another case. This, in my view, is recognition that the outcome of a disbarment case which involves a crucial issue between other parties may urge any of them to bring an action in court to settle a controversy that rests closely on the said issue.

At the same time, should a subsequent case proceed and the trial court arrive at factual findings that are diametrically opposed to that which the Court has come up with to support its decision in disbarring a lawyer in a disciplinary proceeding, the unfairness against the lawyer is, at once, palpable. In that given scenario, a lawyer would suffer the stinging effects of disbarment on the basis of factual findings that run entirely different from a version in another case — which, I hasten to add, would be more "truthful" if arrived at through a trial with the right of cross-examination being available.

Thus, I respectfully submit that while the Court should not hesitate to discipline errant lawyers, this duty must likewise be exercised carefully, in that an examination of the issues at hand should be had. The general notion that an administrative case is different from a criminal or civil case as enough justification for the Court to wield its disciplining authority should be disabused. When the basis to impose discipline is grounded on a fact or issue that cannot be easily divorced from another, whose resolution requires a full-fledged trial, and which affects the interest of parties outside of the disbarment case, the Court should be mindful to stay its hand.

The Court, in fact, has been prudent in earlier cases. In *Medina v. Lizardo*[27] (*Medina*), the Court refused to rule on the alleged fraud of the respondent therein even without a pending case impugning the validity of the extrajudicial settlement in question. The pertinent text in *Medina* reads:

As previously mentioned, the Investigating Commissioner found that Atty. Lizardo allowed himself to be used by Martinez to supposedly defraud Silvestra and the heirs of Alicia and therefore, held that Atty. Lizardo also violated Canon 1, Rule 1.01 and Canon 7, Rule 7.03 of the Code of Professional Responsibility. However, we refrain from passing upon the finding of the Investigating Commissioner that Atty. Lizardo was guilty of deceit in allegedly inducing Silvestra and the heirs of Alicia into selling their interest in all three lots covered by the subject TCTs in the Extrajudicial Settlement with Sale when their purported intention was to sell only the parcels covered by TCT No. 13866. The matter of fraud in the execution of said agreement which will have implications on its validity and legal effects must be first threshed out by the parties in the appropriate proceedings.[28] (Emphasis and underscoring supplied)

Also, in *Spouses Williams v. Enriquez*,[29] the Court refused to rule on the alleged dishonesty committed by the respondent therein in a pleading he submitted in an ejectment case in defense of a client. The Court dismissed the case on the ground that it could not determine his fitness to remain a member of the Bar without delving into the issue of who really owned the subject property. Notwithstanding the fact that the ejectment case was already concluded and there was no other pending case, the Court still refused to rule on the complaint against respondent therein because the allegation of his dishonesty was inextricably connected with the issue of ownership between the parties-in-interest, but which issue had not been judicially settled in any case. Thus:

On its face, the 12 September 2006 complaint filed by the Spouses Williams against Atty. Enriquez does not merit an administrative case. In order for the Court to determine whether Atty. Enriquez is guilty of dishonesty, the issue of ownership must first be settled. The Spouses Williams alleged that Verar was the owner of the property and that she sold a portion of it to them. On the other hand, Atty. Enriquez alleged that Desiderio, Francisco, Ramon, Umbac and Briones were the real owners of the property and that Verar was only a trustee. This was precisely the issue in Civil Case No. 390. Unfortunately, the MCTC was not able to make a definite ruling because the Spouses Williams failed to file their answer within the prescribed period.

The issue of ownership of real property must be settled in a judicial, not administrative case. In *Virgo v. Amarin*, the Court dismissed without prejudice a complaint against a lawyer because it could not determine his fitness to remain a member of the Bar without delving into issues which are proper subjects of judicial action.

x x x[30]

The above statements, notwithstanding, I agree with the findings of the ponencia that respondent should be held administratively liable for acquiring an interest in the form of a right of way over the property subject of the compromise agreement. Aside from this, he should also be held administratively liable for disobeying the orders of the IBP anent the submission of an answer and a position paper.

It is undisputed that respondent benefited from the compromise agreement because he was granted by the parties a perpetual right of way on the property. This is a clear violation against the proscription of representing conflicting interests.

The rule against conflict of interest is expressed in Canon 15,[31] Rules 15.01[32] and 15.03[33] of the Code of Professional Responsibility. It means the existence of a substantial risk that a lawyer's loyalty to or representation of a client would be materially and adversely affected by the lawyer's own interest or the lawyer's duties to another client, a former client, or a third person, during the various stages of the professional relationship.[34] The test of conflict of interest among lawyers is "whether the acceptance of a new relation will prevent an attorney from the full discharge of his duty of undivided fidelity and loyalty to his client or invite suspicion of unfaithfulness or double-dealing in the performance thereof." [35] The illustration of the Court in *Palalan Carp Farmers Multi-Purpose Coop v. Dela Rosa*[36] is instructive:

Conflicts may also arise because of the lawyer's own financial interests, which could impair client representation and loyalty. This is reasonably obvious where a lawyer is asked to advise the client in respect of a matter in which the lawyer or a family member has a material direct or indirect financial interest. The conflict of interest is exacerbated when the lawyer, without full and honest disclosure to the client of the consequences of appointing him or her as an agent with the power to sell a piece of property, willfully and knowingly accepts such an appointment. When the lawyer engages in conduct consistent with his or her appointment as an agent, this new relationship may obscure the line on whether certain information was acquired in the course of the lawyer-client relationship or by reason of agency, and may jeopardize the client's right to have all information concerning the client's affairs held in strict confidence.

The relationship may in some circumstances permit exploitation of the client by the lawyer as he or she still is, after all, the lawyer from whom the client seeks advice and guidance.[37]

Hence, lawyers should always be mindful not to put themselves in a position where self-interest tempts, or worse, actually impels them to do less than their best for their clients.[38] Respondent went against this reminder when he had his own interest served in a compromise agreement between his own clients and their adversary. His act, as the Court said in *Gamilla v. Mariño, Jr.*, [39] naturally invited suspicion of unfaithfulness or double-dealing and should not be countenanced. In this regard, in consonance with prevailing jurisprudence,[40] I submit that the penalty of suspension from the practice of law for two years is commensurate with the infraction committed.

Finally, the failure of respondent to file his answer and position paper constitutes disobedience to the lawful orders of the IBP and should warrant a penalty. Following *Domingo v. Sacdalan*[41] a fine of P5,000.00 is proper:

It must be underscored that respondent owed it to himself and to the entire Legal Profession of the Philippines to exhibit due respect towards the IBP as the national organization of all the members of the Legal Profession. His unexplained disregard of the orders issued to him by the IBP to comment and to appear in the administrative investigation of his misconduct revealed his irresponsibility as well as his disrespect for the IBP and its proceedings. He thereby exposed a character flaw that should not tarnish the nobility of the Legal

Profession. He should always bear in mind that his being a lawyer demanded that he conduct himself as a person of the highest moral and professional integrity and probity in his dealings with others. He should never forget that his duty to serve his clients with unwavering loyalty and diligence carried with it the corresponding responsibilities towards the Court, to the Bar, and to the public in general.

For his disobedience to the orders of the IBP Commission, respondent must pay a fine of P5,000.00.[42]

For these reasons, I dissent from the majority in finding respondent guilty of deceit and in imposing on him the penalty of disbarment. I vote, however, to hold respondent guilty of violating Rule 15.3, Canon 15 of the Code of Professional Responsibility and of disobeying the orders of the IBP. For these violations, respectively, I vote that respondent should be meted with the penalty of suspension from the practice of law for two (2) years and to pay a fine in the amount of P5,000.00.

[1] Ponencia, p. 11.

[2] Id. at 12.

[3] Id. at 2.

[4] Id.

[5] Id.

[6] Id.

[7] Id.

[8] See *Espanto v. Belleza*, A.C. No. 10756, February 21, 2018, 856 SCRA 163. Decision of the Second Division, penned by then Associate Justice, now Chief Justice Diosdado M. Peralta, with the concurrence of Senior Associate Justice Antonio T. Carpio, and Associate Justices Estela M. Perlas-Bernabe, and Andres B. Reyes, Jr. The undersigned, who was also a member then of the Second Division, was on wellness leave.

[9] In the Matter of Proceeding for Disciplinary Action Against Atty. Vicente Raul Almacen in L-27654, *Antonio H. Calero v. Virginia Y. Yaptinchay*, 142 Phil. 353 (1970).

[10] See *Suzuki v. Tiamson*, Adm. Case No. 6542, September 30, 2005, 471 SCRA 129, 141-142.

[11] *Espanto v. Belleza*, supra note 8, at 171.

[12] Supra note 8.

[13] Id. at 171-173.

[14] Parenthetically, there are even cases where on account of the pendency of civil and criminal cases against the respondent-lawyer, the Court refused to pass upon the same acts charged in said other cases and in the disbarment cases for prudence's sake and in order to avoid contradictory findings. See *Gerona v. Datingaling*, 446 Phil. 203 (2003); *Tan v. IBP Commission on Bar Discipline*, 532 Phil. 605 (2006); and *Malvar v. Baleros*, 807 Phil. 16 (2017).

[15] *Spouses Soriano v. Reyes*, A.C. No. 4676, May 4, 2006, 489 SCRA 328, 339.

[16] A.C. No. 7861, January 30, 2009, 577 SCRA 188. Resolution of the Third Division, penned by Associate Justice Ma. Alicia Austria-Martinez, with the concurrence of Associate Justices Dante O. Tinga, Minita V. Chico-Nazario, Antonio Eduardo B. Nachura, and now Chief Justice Diosdado M. Peralta.

[17] Id. at 198-199.

[18] A.C. No. 4549, December 2, 2013, 711 SCRA 198. Resolution of the Second Division, penned by Associate Justice Mariano C. Del Castillo, with the concurrence of Senior Associate Justice Antonio T. Carpio and Associate Justices Arturo D. Brion, Jose Portugal Perez, and Estela M. Perlas-Bernabe.

[19] Id. at 202.

[20] Ponencia, p. 12.

[21] Id.

[22] Spouses Boyboy v. Yabut, Jr., A.C. No. 5225, April 29, 2003, 401 SCRA 622, 628.

[23] Gabunas, Sr. v. Scanmar Maritime Services, Inc., et al., G.R. No. 188637, December 15, 2010, 638 SCRA 770, 779.

[24] Rollo, p. 3.

[25] Id. at 6.

[26] G.R. No. 119714, May 29, 1997, 272 SCRA 803.

[27] A.C. No. 10533, January 31, 2017, 816 SCRA 259. Decision of the En Banc, penned by Associate Justice Teresita J. Leonardo-De Castro, with the concurrence of Chief Justice Maria Lourdes P. A. Sereno, Senior Associate Justice Antonio T. Carpio, Associate Justices Presbitero J. Velasco, Jr., Diosdado M. Peralta, Lucas P. Bersamin, Mariano C. Del Castillo, Jose Catral Mendoza, Bienvenido L. Reyes, Estela M. Perlas-Bernabe, Marvic M.V.F. Leonen, Francis H. Jardeleza, and the undersigned.

[28] Id. at 271-272.

[29] A.C. No. 7329, November 27, 2013, 710 SCRA 620. Resolution of the Second Division, penned by Senior Associate Justice Antonio T. Carpio, with the concurrence of Associate Justices Arturo D. Brion, Mariano C. Del Castillo, Roberto A. Abad, and Jose Portugal Perez.

[30] Id. at 630-631.

[31] CANON 15 - A lawyer shall observe candor, fairness and loyalty in all his dealings and transactions with his clients.

[32] Rule 15.01 - A lawyer, in conferring with a prospective client, shall ascertain as soon as practicable whether the matter would involve a conflict with another client or his own interest, and if so, shall forthwith inform the prospective client.

[33] Rule 15.03 - A lawyer shall not represent conflicting interests except by written consent of all concerned given after a full disclosure of the facts.

[34] Palalan Carp Farmers Multi-Purpose Coop v. Dela Rosa, A.C. No. 12008, August 14, 2019, p. 7.

[35] Gamilla v. Mariño, Jr., A.C. No. 4763, March 20, 2003, 399 SCRA 308, 317. Italics in the original.

[36] Supra note 34.

[37] Id. at 7-8.

[38] Gamilla v. Mariño, Jr., supra note 35, at 317.

[39] Id.

[40] Palacios v. Amora, Jr., A.C. No. 11504, August 1, 2017, 833 SCRA 481.

[41] A.C. No. 12475, March 26, 2019.

[42] Id. at 10-11.

CONCURRING AND DISSENTING OPINION

REYES, J., JR., J.:

While I concur that Atty. Reymelio M. Delute (respondent) should be held administratively liable in this case, I am unable to join the majority in imposing upon him the supreme penalty of disbarment.

I maintain the view that in this case, the Court should refrain from passing upon the allegation of whether respondent manipulated and/or deceived the complainant into signing the Compromise Agreement. In *Medina v. Lizardo*,^[1] the Court similarly declined to pass upon the issue of whether the respondent lawyer therein was guilty of deceit in inducing the complainant to sell her interests in certain parcels of land, to wit:

x x x However, we refrain from passing upon the finding of the Investigating Commissioner that Atty. Lizardo was guilty of deceit in allegedly inducing Silvestra and the heirs of Alicia into selling their interest in all three lots covered by the subject TCTs in the Extrajudicial Settlement with Sale when their purported intention was to sell only the parcels covered by TCT No. 13866. The matter of fraud in the execution of said agreement which will have implications on its validity and legal effects must be first threshed out by the parties in the appropriate proceedings.^[2]

The ponencia pronounces that *Medina* and other cases^[3] where this Court refrained from passing upon issues deemed proper subjects of a judicial action run counter to the Court's exclusive and plenary power to discipline members of the Bar and established jurisprudence that disbarment proceedings proceed independently from civil and/or criminal cases despite involving the same set of facts and circumstances.^[4] I submit, however, that rather than being in conflict with these well-established rule and precedents, the line of jurisprudence wherein the Court exercised restraint in fact recognizes the rule that the proper scope of inquiry in disbarment proceedings is to determine the lawyer's fitness to continue as a member of the Bar.^[5] Such cases are representative of instances when the Court recognized that it cannot determine whether the respondent lawyer indeed committed the imputed wrongdoing without delving into issues which were deemed proper to be threshed out in a more appropriate proceeding and not in the disbarment proceeding itself.

I am of the view that such similar stance of restraint is more prudent in this case. Accordingly, I submit that the allegation of manipulation or deceit should be threshed out in the appropriate proceeding where the issue of the validity of the Compromise Agreement will be properly resolved. For one, the matter of whether respondent misled or deceived complainant cannot be easily separated from the issue of the validity of the Compromise Agreement which should be properly resolved in a judicial action rather than in this disbarment proceeding since this goes into the matter of whether complainant gave valid consent in entering the same. Stated differently, whether complainant was misled into signing the Compromise Agreement not only calls for a determination of whether respondent really uttered a statement which caused fear and confusion on the part of complainant and his wife, but also of the complainant's capacity to understand the import of what he was signing. Furthermore, the allegation of manipulation against respondent is also connected with the alleged actuations of other parties who

are not involved in this proceeding before the Court.

In fact, complainant instituted Civil Case No. T-2497 before the RTC of Toledo City, Cebu precisely to declare as void and inexistent the Compromise Agreement for being contrary to law and for want of consent on account of respondent's alleged fraudulent representations as to the nature of the documents he was signing. The case, however, was dismissed by the Regional Trial Court (RTC) for lack of jurisdiction over the subject matter in an Order dated January 8, 2018,[6] and complainant's motion for reconsideration was denied in an Order dated June 13, 2018.[7] The ponencia holds that the dismissal of Civil Case No. T-2497 should not preclude the Court from adjudging respondent's administrative liability in connection , with his acts relative to the execution of the Compromise Agreement, and neither should such determination be made dependent on whether complainant would want to re-file the action considering that the dismissal was based on lack of jurisdiction over the subject matter and is thus not barred by *res judicata*. While these points are well-taken, I find that the ponencia may have in fact pre-empted certain factual findings which should be better threshed out in the appropriate proceedings – which to my mind, is the very essence of the line of jurisprudence which the ponencia revisited.

In not only passing upon but also lending credence to complainant's allegation that he was misled into signing documents that effectively waived all his rights and interests over Lot 4-C, the ponencia adjudged respondent liable for breaching ethical standards "when he personally profited from the signing of the Compromise Agreement by his client, and even resorted to manipulation in conspiracy with Azucena [Laurel-Velez], the other party." [8] The inequity against Azucena becomes manifest when this Court pronounced her as party to an alleged scheme against the complainant without giving her the opportunity to defend herself as she is not a party in this disbarment case. It is inconsistent to insist that the Court should pass upon the allegation of manipulation, if only to determine respondent's fitness as a member of the Bar, but at the same time impute wrongdoing against someone who is not even a party here, and who was not given the opportunity to be heard and to present evidence in her behalf.

While I acknowledge that *Esquivias v. Court of Appeals* [9] is authority for the proposition that findings in a disbarment case are not conclusive or binding in another action which involves the same act of the lawyer subject of the former, I submit that this would neither afford comfort nor justification for the ponencia's declaration that respondent acted in conspiracy with Azucena on the basis of complainant's allegation without affording Azucena due process in this proceeding.

On this score, I cannot agree as well with the ponencia's finding that there is substantial evidence to support the complainant's allegation that he was misled into signing the documents and that respondent took P100,000.00 out of the P300,000.00 given by Azucena Laurel-Velez (Azucena). In particular, the Decision states that "the straightforwardness and believability of the allegations in the complaint, as buttressed by the' benefits received by respondent appearing on the Compromise Agreement, when taken together with respondent's failure to rebut the same despite due notice, already constitute substantial evidence to hold him administratively liable." [10]

It is true that on certain occasions, the failure of the respondent lawyer to file his Answer and position paper was taken "not only as lack of responsibility but also lack of interest on the part of the respondent in clearing his name which is constitutive of an implied admission of the charges leveled against him." [11] However, it must be emphasized that such failure should not dispense with the burden of the complainant to establish the case against the respondent lawyer [12] with the evidentiary threshold of substantial evidence. [13] As aptly pointed out by Associate Justice Alfredo Benjamin S. Caguioa (Justice Caguioa) during the deliberations of this case, the failure of respondent to file his Answer and position paper should not be taken as an implied admission of the allegations against him nor a signal for the Court that such allegations have been effectively proven.

After all, it is well-settled that an attorney enjoys the legal presumption that he or she is innocent of charges against him or her until the contrary is proved and that as an officer of the court, he or she is presumed to have performed his duties in accordance with his oath.[14] In fact, in *Robiñol v. Bassig*,[15] where the respondent lawyer also failed to file his Answer and to attend the scheduled mandatory conference, the Court held such failure cannot be deemed as an admission of the allegations in the complaint, which the complainant has the burden of proving, but may subject said respondent lawyer to administrative liability for failure to obey the IBP's lawful orders.

From the foregoing, I have reservations in taking against the respondent the allegation that he obtained P100,000.00 from the complainant before they parted ways, an allegation which the IBP-CBD considered as uncontroverted for respondent's failure to file his Answer and his position paper, and taken as evidence that he benefited from the transaction. A reading of complainant's Affidavit-Complaint[16] as well as Position Paper[17] shows that he merely alleged that respondent obtained P100,000.00 out of P300,000.00. Although respondent appears to have not squarely addressed this in his Motion to Lift Suspension from The Practice of Law[18] and in his Comment[19] to the complainant's Opposition,[20] complainant did not even allege any impropriety or irregularity about the alleged amount that respondent took as payment for attorney's fees. At any rate, from the records available to the Court, there was no sufficient proof that such amount was indeed obtained by respondent.

The foregoing reservations notwithstanding, I find that respondent must be held administratively liable for acquiring an interest over Lot 4-C under paragraph 3 of the Compromise Agreement, the existence of such stipulation of which is not seriously disputed, and where it is provided that he will be given a perpetual right of way by Azucena, to wit:

3. The oppositor and Gamaliel Casas shall grant to Atty. Reymelio M. Delute, his heirs and assigns, a three-meter wide perpetual road right of way on the subject Lot 4-C, from Atty. Delute's adjoining lot to the nearest public road, which road right of way shall be made into accessible road at the sole expense of the oppositor;[21]

"The relationship between a lawyer and a client is highly fiduciary; it requires a high degree of fidelity and good faith. It is designed 'to remove all such temptation and to prevent everything of that kind from being done for the protection of the client.'"[22] Also, considering that complainant's consent was necessary for the Compromise Agreement which contained a grant of benefit in favor of the respondent, the Court's previous ruling that dealings between a lawyer and his client must be greatly scrutinized in order to ensure that the former does not take advantage of the latter. As stated in *Nakpil v. Valdes*: [23]

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 than is required in business dealings where the parties trade at "arm's length." Business transactions between an attorney and his client are disfavored and discouraged by the policy of the law. Hence, courts 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.[24]

Independent of whether there was fraud that vitiated complainant's consent to the Compromise Agreement, the grant of the right of way was highly improper in this particular case. While it may be conceded that the Compromise Agreement is valid unless annulled or declared void in the appropriate proceeding, this does not absolve respondent from any badges of impropriety for acquiring the right of way under paragraph 3 thereof. By the plain reading of the Compromise Agreement, the right of way was for respondent's own benefit and not for the

complainant, contrary to what respondent wants to impress upon the Court. Notably, by way of special and affirmative defenses in his Answer[25] to the Complaint in Civil Case No. T- 2497, respondent averred that he informed the complainant of Azucena's desire to settle the case amicably, but claimed that he did not meddle in the fixing of the amount of settlement.[26] Thereafter, he advised the complainant to retain a 300 sq m-portion of Lot 4-C and for Azucena to grant him (referring to the respondent) a perpetual right of way, to wit:

14. [Respondent] advised Felipe Laurel to retain a 300 square meter portion of Lot 4-C to serve as his future residence in the event he would no longer reside in Cebu City, as well as, the establishment of perpetual road right of way on Lot 4-C at the expense of AZUCENA LAUREL- VELEZ in favor of [respondent]; both offers were accepted by AZUCENA LAUREL-VELEZ and embodied in the Compromise Agreement (Annex "L");[27]

In this respect, respondent violated Canon 17 of the Code of Professional Responsibility (CPR) which states that "[a] lawyer owes fidelity to the cause of his client and he shall be mindful of the trust and confidence reposed in him." Regardless of the truthfulness of the allegation that he misled or deceived the complainant into signing the Compromise Agreement, the fact that he stands to benefit from the Compromise Agreement through a person whose interests are adverse to that of his client raises sufficient cause for suspicion that he was protecting his own interest instead of the complainant's interest.

Furthermore, I agree with the ponencia that respondent violated the rule against conflict of interest. Rules 15.01 and 15.03, Canon 15 of the CPR provides:

CANON 15 - A LAWYER SHALL OBSERVE CANDOR, FAIRNESS AND LOYALTY IN ALL HIS DEALINGS AND TRANSACTIONS WITH HIS CLIENTS.

Rule 15.01 - A lawyer, in conferring with a prospective client, shall ascertain as soon as practicable whether the matter would involve a conflict with another client or his own interest, and if so, shall forthwith inform the prospective client.

x x x x

Rule 15.03 — A lawyer shall not represent conflicting interests except by written consent of all concerned given after full disclosure of the facts.

Although jurisprudence has often applied the rule against conflict of interest in cases involving multiple clients or parties, the rationale behind said rule may likewise be applied in cases where a conflict arises between the client and the lawyer himself. As stated in *Samson v. Era*,[28] the prohibition against conflict of interest rests on five rationales, to wit:

x x x First, the law seeks to assure clients that their lawyers will represent them with undivided loyalty. A client is entitled to be represented by a lawyer whom the client can trust. Instilling such confidence is an objective important in itself. x x x

Second, the prohibition against conflicts of interest seeks to enhance the effectiveness of legal representation. To the extent that a conflict of interest undermines the independence of the lawyer's professional judgment or inhibits a lawyer from working with appropriate vigor in the client's behalf, the client's expectation of effective representation x x x could be compromised.

Third, a client has a legal right to have the lawyer safeguard the client's confidential information x x x Preventing use of confidential client information against the interests of the client, either to benefit the lawyer's personal interest, in aid of some other client, or to foster an assumed public purpose is facilitated through conflicts rules that reduce the opportunity for such abuse.

Fourth, conflicts rules help ensure that lawyers will not exploit clients, such as by inducing a client to make a gift to the lawyer x x x

Finally, some conflict-of-interest rules protect interests of the legal system in obtaining adequate presentations to tribunals. In the absence of such rules, for example, a lawyer might appear on both sides of the litigation, complicating the process of taking proof and compromise adversary argumentation x x x[29] (Citations omitted; emphasis supplied)

In *Palalan Carp Farmers Multi-Purpose Coop v. Dela Rosa*,[30] the Court stated that conflict of interest means "[t]he existence of a substantial risk that a lawyer's loyalty to or representation of a client would be materially and adversely affected by the lawyer's own interest or the lawyer's duties to another client, a former client, or a third person, during the various stages of the professional relationship." In the same case, the Court recognized that conflicts may arise "because of the lawyer's own financial interests, which could impair client representation and loyalty" such as when "a lawyer is asked to advise the client in respect of a matter in which the lawyer or a family member has a material direct or indirect financial interest."

In the present case, it is not enough for the respondent to argue that the Compromise Agreement was validly executed. While the possibility that complainant and Azucena would have genuinely desired to amicably settle their dispute cannot be discounted, this does not readily justify the grant of right of way in respondent's favor. Respondent's argument that there was no need for him to deceive the complainant into signing the Compromise Agreement just for him to acquire a right of way is untenable. Again, regardless of whether there was fraud, he could have shown either that he advised the complainant against the grant of the right of way in the said agreement, or accepted only the said grant with full consent of the complainant after explaining the possible legal consequences. Here, there is absence of circumstances indicating that complainant's interests were adequately protected in order to rule out the possibility that he may have been taken advantage of – an evil sought to be avoided by the rule against conflict of interest. As it turned out, respondent put himself in a situation where there is reasonable suspicion that he argues for the validity of the Compromise Agreement, not because of the complainant's desire to have his dispute with Azucena amicably settled, but because his own interest would be served by said agreement.

Going now to the proper penalty, it has been held that the determination of whether an attorney should be disbarred or merely suspended for a period involves the exercise of a sound judicial discretion.[31] In *Quiambao v. Bamba*,[32] the Court cited jurisprudence[33] providing for the penalty of suspension from the practice of law for one to three years solely for a lawyer's representation of conflicting interests. In this case, I find that under the circumstances, a penalty of two years suspension from the practice of law would suffice.

Moreover, I find in order the recommendation of the IBP in imposing fine insofar as it concerns the respondent's failure to comply with the directives of the IBP-CBD. Aside from failing to file an Answer to the Complaint despite due notice, he also failed to file his verified position paper. In paragraph 9 of his Motion, the respondent states:

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Regrettably, however, Respondent did not attempt to answer the complaint for his erroneous belief that the complaint must first be referred to the local IBP Chapter for investigation at which investigation Respondent intended to personally and wholeheartedly confront Complainant why he filed the instant complaint alleging twisted facts and fabricated lies calculated to destroy the herein Respondent who defended him with utmost fidelity. With the motion filed by the Complainant that the hearing be held in Cebu City, Respondent had waited for such investigation which unfortunately did not occur or happen[.][34]

Respondent's explanation is unsatisfactory considering that the Order[35] from the IBP CBD for him to file his Answer was clear enough and his only basis for not even attempting to comply was his erroneous belief that a referral to the local IBP chapter was still necessary. Furthermore, his Motion is silent as to his failure to file his verified position paper, even though it appears that he received the Order[36] dated October 20, 2014 reiterating said directive.[37]

It does not escape attention that for more than six years, respondent did nothing in relation to this case from the time he was required to file an Answer in the Order dated December 5, 2011. Despite the categorical warning in the said Order that failure to file an Answer will result in being considered in default and the case heard ex parte[38] respondent was given a new period of 10 days to file an Answer in the Order[39] dated March 2, 2012.[40] Similarly, although the parties were required to submit position papers in the Order[41] dated April 30, 2012, the IBP-CBD gave a new period of 10 days to file said position papers in the Order[42] dated October 20, 2014 since there was no proof that the Order dated April 30, 2012 was received by the parties.[43] Despite the opportunities given by the IBP-CBD for him to air his side, he chose to ignore its directives.

As a lawyer, respondent "must observe and maintain respect not only to the courts, but also to judicial officers and other duly constituted authorities, including the IBP." [44] He must be reminded that orders of the IBP, just like resolutions of this Court, must be complied with promptly and completely as they are not mere requests.[45]

In *Domingo v. Sacdalan*, [46] the Court, in addition to the penalty of disbarment and the order for the respondent to return to the complainant amounts representing legal deposit to cover expenses related to the expected litigation and cash advance chargeable against his appearance fees and other fees, the Court ordered the respondent to pay a fine of 15,000.00 for his disobedience to the lawful orders of the IBP. In light of the foregoing discussion, the imposition of a fine in the amount of P5,000.00 as recommended by the IBP-BOG is in order.

ACCORDINGLY, I vote to have respondent Arty. Reymelio M. Delute SUSPENDED from the practice of law for two (2) years, with the STERN WARNING that the commission of the same or similar offense in the future will result in the imposition of a more severe penalty, and to be ORDERED to pay a FINE in the amount of Five Thousand Pesos (P5,000.00).

[1] 804 Phil. 599 (2017).

[2] *Id.* at 611.

[3] See *Virgo v. Amorin*, 597 Phil. 182 (2009); *Spouses Williams v. Enriquez*, 722 Phil. 102 (2013); *Felipe v. Macapagal*, 722 Phil. 439 (2013); and *Espanto v. Belleza*, 826 Phil. 412 (2018).

[4] *Ponencia*, p. 5.

[5] As comprehensively stated by the Court in *In re: Almacen*, 142 Phil. 353, 390 (1970): x x x disciplinary proceedings x x x are sui generis. Neither purely civil nor purely criminal, this proceeding is not — and does not involve — a trial of an action or a suit, but is rather an investigation by the Court into the conduct of its officers. Not being intended to inflict punishment, it is in no sense a criminal prosecution. Accordingly, there is neither a plaintiff nor a prosecutor therein. It may be initiated by the Court *motu proprio*. Public interest is its primary objective, and the real question for determination is whether or not the attorney is still a fit person to be allowed the privileges as such. Hence, in the exercise of its disciplinary powers, the Court merely calls upon a member of the Bar to account for his actuations as an officer of the Court with the end in view of preserving the purity of the legal profession and the proper and honest administration of justice by purging the profession of members who by their misconduct have proved themselves no longer worthy to be entrusted with the duties and responsibilities

pertaining to the office of an attorney. In such posture, there can thus be no occasion to speak of a complainant or a prosecutor. (Citations omitted)

[6] A copy is attached as Annex "8" to respondent's Motion to Lift Suspension from the Practice of Law; rollo, pp. 101-102.

[7] A copy is attached as Annex "9" to respondent's Motion to Lift Suspension from the Practice of Law; id. at 103-104.

[8] Ponencia, p. 11.

[9] 339 Phil. 184 (1997).

[10] Ponencia, p. 12.

[11] See *Yap v. Buri*, A.C. No. 11156, March 19, 2018, 859 SCRA 411, 417; *Padilla v. Samson*, A.C. No. 10253, August 22, 2017, 837 SCRA 352, 358; *Pitcher v. Gagat*, A.C. No. 9532, October 8, 2013, 707 SCRA 13, 24. See also *Yoshimura v. Panagsagan*, A.C. No. 10962, September 11, 2018, 880 SCRA 49, 57; *HDI Holdings Philippines, Inc v. Cruz*, A.C. No. 11724, July 31, 2018, 875 SCRA 112, 127; *Anacta v. Resurreccion*, A.C. No. 9074, August 14, 2012, 678 SCRA 352, 359-360, where the silence of the respondent was taken as an implied admission.

[12] *Santos v. Dichoso*, 174 Phil. 115, 119 (1978).

[13] See *Reyes v. Nieva*, 794 Phil. 360, 379-380 (2016).

[14] See *Aba v. De Guzman, Jr.*, 678 Phil. 588, 599-600 (2011), citing *In Re: De Guzman*, 154 Phil. 127 (1974), *De Guzman v. Tadeo*, 68 Phil 554 (1939), *In Re: Tiongko*, 43 Phil. 191 (1922), and *Acosta v. Serrano*, 166 Phil. 257 (1977).

[15] A.C. No. 11836, November 21, 2017, 845 SCRA 447.

[16] Rollo, pp. 151-153.

[17] Id. at 214-227.

[18] Id. at 2-17.

[19] Id. at 416-434.

[20] Id. at 106-122.

[21] Id. at 157-158.

[22] *Angeles v. Uy*, 386 Phil. 221, 231 (2000).

[23] 350 Phil. 412 (1998).

[24] Id. at 424.

[25] Attached as Annex "4" of Respondent's Motion to Lift Suspension from the Practice of Law; rollo, pp. 339-343.

[26] Id. at 341.

[27] Id.

[28] 714 Phil. 101 (2013).

[29] *Id.* at 112-113.

[30] A.C. No. 12008, August 14, 2019.

[31] *Marcelo v. Javier, Sr.*, 288 Phil. 762, 778 (1992).

[32] 505 Phil. 126 (2005).

[33] *Vda. de Alisbo v. Jalandoni*, A.C. No. 1311, July 18, 1991, 199 SCRA 321; *PNB v. Cedo*, A.C. No. 3701, March 28, 1995, 243 SCRA 1; *Maturan v. Gonzales*, A.C. No. 2597, March 12, 1998, 287 SCRA 443; *Northwestern University, Inc. v. Arguillo*, A.C. No. 6632, August 2, 2005.

[34] *Rollo*, p. 4.

[35] *Id.* at 161.

[36] *Id.* at 169.

[37] See Registry Receipt attached to the Order dated October 20, 2014.

[38] *Id.*

[39] *Rollo*, p. 164.

[40] *Id.*

[41] *Id.* at 168.

[42] *Id.* at 169.

[43] *Id.*

[44] *Almendraz, Jr. v. Langit*, 528 Phil. 814, 821 (2006), citing Canon 11 of the Code of Professional Responsibility, which provides:

CANON 11 — A LAWYER SHALL OBSERVE AND MAINTAIN THE RESPECT DUE TO THE COURTS
AND TO JUDICIAL OFFICERS AND SHOULD INSIST ON SIMILAR CONDUCT BY OTHERS.

[45] See *Mariano v. Echanez*, 785 Phil. 923, 929-930 (2016).

[46] A.C. No. 12475, March 26, 2019.

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