

HONORIO MANALANG AND FLORENCIO CIRILLO, COMPLAINANTS, VS. ATTY. FRANCISCO F. ANGELES, RESPONDENT.

A.C. No. 1558. March 10, 2003

Ponente: QUISUMBING, J.

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QUISUMBING, J.:

In this administrative complaint[2] filed on November 11, 1975, against Atty. Francisco F. Angeles for grave misconduct as a lawyer, respondent stands charged with infidelity in the discharge of fiduciary obligations to his clients, herein complainants Honorio Manalang and Florencio Cirillo.

Manalang and Cirillo alleged that they were the complainants in a case for overtime and separation pay filed against their employer, the Philippine Racing Club Restaurant, before the National Labor Relations Commission Region IV Office, docketed as NLRC-RO 4 No. 4-2417-74. Respondent was their counsel. Judgment was rendered in their favor, in the amount of P6,500. After the decision became final, a writ of execution issued. However, without authority from his clients, respondent compromised the award and was able to collect P5,500 only.

Complainants said they made several demands upon respondent to turn over to them the amount collected minus the agreed upon attorney's fees of thirty percent (30%), but Atty. Angeles refused and offered to give them only the sum of P2,650.

Complainants then instituted the instant case, with the assistance of the then Citizens Legal Assistance Office (CLAO)[3] of the Department of Justice.

In his answer, filed on December 15, 1975, respondent stated that he offered to give complainants their money, but they insisted that he "deduct from this attorney's fees the amount of P2,000, representing the amount discounted by the counsel of the Philippine Racing Club Restaurant, together with sheriff legal fees and other administrative expenses." [4] Respondent claimed that to accept complainants' proposition meant that he "would not be compensated for prosecuting and handling the case." [5]

In our resolution[6] of January 9, 1976, we referred the case to the Office of Solicitor General (OSG) for investigation, report, and recommendation.

The OSG conducted several hearings from March-August 1976.[7] The complainants' testimonies were received. Respondent appeared only at three (3) hearings, those of June 21, 1976,[8] July 1, 1976[9] and August 6, 1976.[10] On August 24, 1976, the Solicitor General ordered respondent's testimony stricken from the record and the case deemed submitted for resolution[11] for his failure to appear despite due notice.

Thereafter, the case was transferred to the Committee on Bar Discipline of the Integrated Bar of the Philippines (IBP). Hearings were scheduled on September 20 and November 21, 1991, but neither party appeared despite prior due notice. The IBP then subpoenaed respondent for him to appear at the hearings on February 12-13, 1992, but the notices were returned unserved with the indication that respondent had changed address. On July 8, 1992,

the IBP issued an order stating that respondent had been given ample opportunities to present his evidence and considered the case submitted for resolution on the basis of the existing evidence.

On January 23, 1997, the IBP Committee on Bar Discipline issued a resolution recommending that respondent be suspended from the practice of law for two (2) years.[12] This was adopted and approved by the IBP Board of Governors in its resolution of July 26, 1997.[13]

On September 23, 1997, respondent moved for reconsideration of the resolution of the IBP Board of Governors, dated July 26, 1997.

On October 8, 1997, we resolved to refer this matter to the Office of the Bar Confidant “for recommendation within twenty (20) days from notice.”[14] On June 19, 2002, the Bar Confidant recommended that “the IBP Resolution, recommending suspension of the respondent from the practice of law for two (2) years be affirmed.”[15]

The sole issue in this case is whether respondent Atty. Francisco F. Angeles should be suspended from the practice of law because of grave misconduct related to his clients’ funds.

Where a member of the bar stands charged with malpractice, the proceedings are not meant solely to rule on his culpability but also to determine if the lawyer concerned is possessed of that good moral character, which is a condition precedent to the privilege of practicing law and continuing in the practice thereof.[16] For the bar must not only maintain a high standard of legal proficiency, it must likewise be exacting in its standards for honesty, integrity, and fair dealing.

In the instant case, there is no dispute that complainants were awarded P6,500.00 in NLRC-RO 4 No. 4-2417-74 for unpaid overtime and separation pay. Of this amount, thirty percent (30%) or P1,950 was agreed to be paid to respondent as his attorney’s fees. In other words, complainants were to receive from respondent the net sum of P4,550 or P2,275 each. Alleging difficulties in collecting the full amount awarded, respondent compromised the award on execution and collected only P5,500 from the losing party in NLRC-RO 4 No. 4-2417-74. This compromise was allegedly without authority from his clients. The authority to compromise cannot be lightly presumed and must be supported by evidence.[17] In the instant case, respondent failed to show such authority.

Money claims due to workers cannot, as a rule, be the object of settlement or compromise effected by counsel without the consent of the workers concerned.[18] A client has every right to expect from his counsel that nothing will be taken or withheld from him, save by the rules of law validly applied. By compromising the judgment without the consent of his clients, respondent not only went against the stream of judicial dicta, he also exhibited an uncaring lack of devotion to the interest of his clients as well as want of zeal in the maintenance and defense of their rights. In so doing, he violated Canon 17 of the Code of Professional Responsibility.[19]

Worse, as found by the IBP Committee on Bar Discipline, respondent only offered to remit to complainants the amount of P2,650 or P1,325 each, an amount substantially less than the P2,275 that each complainant was entitled to receive under the judgment. On this score, respondent failed to establish any credible defense. Moreover, he consistently failed to appear at the hearings scheduled by the CBD. Hence, his excuse for failing to give the money due his clients merit scant consideration.

A lawyer shall hold in trust all moneys and properties of his client that may come into his possession.[20] In the instant case, the records clearly and abundantly point to respondent’s receipt of and failure to deliver upon demand, the amount of P4,550 intended for his clients. This is a clear breach of Rule 16.03,[21] Canon 16 of the Code of Professional Responsibility. Moreover, his excuse in his answer, that he should be allowed to deduct sheriff’s fees and other administrative expenses before delivering the money due his clients, is unsatisfactory.

Respondent clearly failed to comply with the Rules of Court in the enforcement of an attorney's liens.[22] The records of this case are barren of any statement of respondent's claims for lien or payment of his alleged disbursements. Nor did respondent present any showing that he caused written notices of his lien on the money judgment to be served upon his clients and to the losing party in NLRC-RO 4 No. 4-2417-74.

His act of holding on to his clients' money without their acquiescence is conduct indicative of lack of integrity and propriety. He was clinging to something which was not his, and to which he had no right.[23] He appears oblivious of the admonition that a member of the legal fraternity should refrain from any act or omission which might lessen the trust and confidence reposed by the public in the fidelity, honesty, and integrity of the legal profession.[24]

We note that in 1976 at the hearings before the OSG, complainant Manalang declared he was already 58 years old,[25] while complainant Cirillo stated that he was 64 years of age.[26] A quarter of century has since passed. It is true that a disciplinary action involves no private interest and affords no redress for private grievance, since it is undertaken solely for the public welfare, and the attorney-at-law is called to task mainly to answer to this Court for his conduct as an officer of the court.[27] Nevertheless, we must stress that disciplinary action against a member of the bar involves the public interest, and it should be resolved with dispatch.[28] Moreover, we note that respondent's clients in the instant case were poor working men. They were made to wait long for their money, by their very own counsel, contrary to the Attorney's Oath and the Code of Professional Responsibility. This is contrary to all ethical principles that members of the bar are supposed to uphold. Thus, we find no hesitation in imposing on respondent the penalty of suspension. However, this is the first case on record against him, a fact which could be taken into account by way of mitigation. Considering further the amount involved, the penalty of six (6) months suspension appears to us in order.

ACCORDINGLY, the Court hereby SUSPENDS Atty. Francisco F. Angeles from the practice of law for a period of six (6) months, effective immediately upon his receipt of this Resolution. He is also ordered to pay the sum of two thousand two hundred seventy five pesos (P2,275.00) each to complainants Honorio Manalang and Florencio Cirillo, with interest of six percent (6%) per annum from the time of filing this complaint until fully paid.

Let a copy of this resolution be served personally on respondent at his last known address and entered in his record as attorney. Let the IBP, the Bar Confidant, and the Court Administrator be furnished also a copy of this resolution for their information and guidance as well as for circularization to all courts in the country.

SO ORDERED.

Bellosillo, (Chairman), Mendoza, Austria-Martinez and Callejo, Sr., JJ., concur.

[1] Admitted to the Bar, March 22, 1966. See 1998 Law List 53.

[2] Rollo, Vol. 1, pp. 1-3.

[3] Now the Public Attorney's Office or PAO.

[4] Supra, note 1 at 9.

[5] Ibid.

[6] Id. at 15.

[7] See entirety of Records, Vol. II.

[8] Id. at 19.

[9] Id. at 17.

[10] Id. at 12.

[11] Id. at 9.

[12] Rollo, p. 22.

[13] Id. at 17.

[14] Id. at 23.

[15] Id. at 38.

[16] In re Paraiso, 41 Phil. 24, 25 (1920).

[17] General Rubber and Footwear Corp. v. Drilon, G.R. No. 76988, 31 January 1989, 169 SCRA 808, 814.

[18] See Danao Development Corp. v. National Labor Relations Commission, Nos. L-40706 & L-40707, 16 February 1978, 81 SCRA 487, 502.

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

[20] Canon 16, Code of Professional Responsibility.

[21] Rule 16.03. A lawyer shall deliver the funds and property of his client when due or upon demand. However, he shall have a lien over the funds and may apply so much thereof as may be necessary to satisfy his lawful fees and disbursements, giving notice promptly thereafter to his clients. He shall also have a lien to the same extent on all judgments and executions he has secured for his client as provided for in the Rules of Court.

[22] Rule 138, Sec. 37. Attorney's Liens. – An attorney shall have a lien upon the funds, documents and papers of his client, which have lawfully come into his possession and may retain the same until his lawful fees and disbursements have been paid, and may apply such funds to the satisfaction thereof. He shall also have a lien to the same extent upon all judgments for the payment of money and executions issued in pursuance of such judgments, which he has secured in a litigation of his client, from and after the time when he shall have caused a statement of his claim of such lien to be entered upon the records of the court rendering such judgment, or issuing such execution, and shall have caused written notice thereof to be delivered to his client and to the adverse party; and he shall have the same right and power over such judgments and executions as his client would have to enforce his lien and secure the payment of his just fees and disbursements.

[23] See Gonato v. Adaza, A.C. No. 4083, 27 March 2000, 328 SCRA 694, 697.

[24] Maligsa v. Cabanting, A.C. No. 4539, 14 May 1997, 272 SCRA 408, 413, citing Marcelo v. Javier, Sr., A.C. No. 3248, 18 September 1992, 214 SCRA 1, 13.

[25] TSN, March 4, 1976, p. 6.

[26] Id. at 42.

[27] Rayos-Ombac v. Rayos, A.C. No. 2884, 28 January 1998, 285 SCRA 93, 101.

[28] De Vera v. Pineda, G.R. No. 96333, 2 September 1992, 213 SCRA 434, 443.

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