

BEL-AIR TRANSIT SERVICE CORPORATION (DOLLAR RENT-A-CAR), COMPLAINANT, VS. ATTY. ESTEBAN Y. MENDOZA, RESPONDENT.

A.C. NO. 6107. January 31, 2005

Ponente: CALLEJO, SR., J.

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CALLEJO, SR., J.:

In a verified Complaint[1] dated June 11, 2003, Bel-Air Transit Service Corporation (Dollar Rent-A-Car) charged Atty. Esteban Y. Mendoza with grossly immoral and unethical conduct, praying for his disbarment and that his name be stricken-off from the Roll of Attorneys.

The complainant narrated that, on September 19, 2001, the respondent rented a car from it, a Toyota Camry with Plate No. WMK 232, for the amount of P5,549.00. Under the terms of the Rental Agreement No. 97206,[2] which the respondent personally signed, the latter was to be fetched at his residence at No. 483 Northwestern Street, East Greenhills, Mandaluyong City. The respondent rented another Toyota Camry from the complainant on September 28, 2001, this time with Plate No. WRT 557, and was, likewise, fetched at his residence in accordance with the Rental Agreement No. 97420.[3] This second contract was also personally signed by the respondent. The statements of account[4] were, thereafter, sent to the respondent at his office and business address at Martinez & Mendoza Law Office, Cityland Show Tower, Mandaluyong City. Despite repeated demands for payment, the respondent refused to pay his account, which constrained the complainant to send a formal and final demand for payment through counsel.[5] This formal demand was, likewise, ignored by the respondent, further compelling the complainant to resort to filing a complaint[6] for recovery of money on March 12, 2003 before the Metropolitan Trial Court of Makati City, Branch 65, docketed as Civil Case No. 81392.

According to the complainant, the respondent's refusal to pay for the complainant's car rental services constitutes deceit and grossly immoral and unethical conduct, which violates the Canons of Professional Ethics and Articles 19, 20 and 21 of the Civil Code on Human Relations. The complainant further alleged that this is a sufficient ground for the respondent's disbarment, considering that the respondent even ignored the complainant's repeated demands for payment.[7]

In his Comment, the respondent denied the allegations against him. He averred that it was the law firm of Martinez & Mendoza which engaged the services of the complainant, and that all the trips undertaken were for an out-of-town engagement in Lucena City. To support his claim, the respondent incorporated a letter[8] addressed to the Chief Operations Manager of the complainant requesting for the latter's services.

The respondent alleged that the driver assigned to him by the complainant during the trip from Lucena City on September 19, 2001 did not exercise extraordinary diligence. He averred that they almost figured in an accident, and when he inquired as to why the said driver was not cautious with his driving, the latter replied that he had just been on another out-of-town trip driving for another client and only had three hours of sleep the night before. The respondent decided not to report the incident to the complainant, thinking that it was going to be the first and last incident. However, during the trip of September 28, 2001, the respondent again almost figured in an accident,

prompting the respondent to contact the complainant to complain as to why the latter was providing drivers to their law firm who had not had enough sleep. No one from the complainant's staff could provide him with a decent answer, merely "Pasensiya na." The respondent then demanded a meeting with the complainant's president in order to resolve the matter, but despite repeated requests, the latter refused to meet with him. The respondent further averred, thus:

14. It is not only inaccurate but also unfair for the complainant to baselessly accuse the respondent or M&M of refusing to pay their claims. As shown above, M&M immediately paid all of complainant's billings for August 2001. It was only the billings for September 2001 that remained unpaid because M&M and respondent first wanted to meet with the President of the complainant to resolve their complaint. M&M and respondent do not have a history of not honoring their obligations. As officers of the court, it is cognizant that [they] should conduct [themselves] properly so as not to do injustice to anyone, including the complainant.

14.1. Respondent almost met an accident because the complainant provided him with drivers that did not have enough rest and sleep before they drove for him. It is the respondent who is the aggrieved party here and not the complainant. Thus, it is very unfortunate that it is the respondent who is slapped with a disbarment case. M&M did not even file a complaint with the Department of Trade and Industry for violation of the Consumers Act of the Philippines because it wanted to resolve its complaint amicably.

14.2 Respondent respectfully manifests that, only to buy peace, the questioned billings of the complainant which [were] made the subject of a complaint they filed against him had already been fully satisfied.

A copy of Official Receipt No. 52095 dated 4 September 2003 in the name of "Martinez & Mendoza Law Office" is attached hereto and made an integral part hereof as Annex "H." [9]

The respondent concluded that the complainant did not have a cause of action for disbarment against him, as he was merely exercising his right to contest its questionable billings.

The case was referred to the Integrated Bar of the Philippines (IBP) for investigation, report and recommendation and was assigned to IBP Commissioner Caesar R. Dulay. During the hearing of March 1, 2004, the counsel for the complainant manifested that although the respondent had already paid his account, such payment was made only after the court had already decided the case against the respondent and after the filing of a motion for execution, [10] which the respondent admitted. Thus, the parties agreed during the hearing that as far as the monetary obligation was concerned, the said judgment had already been satisfied by the respondent. The parties were then required to file their respective position papers, which were basically reiterations of their previous allegations.

In his Report and Recommendation dated April 19, 2004, Commissioner Dulay made the following findings:

Respondent offers two reasons for non-payment: First, that the obligation was incurred not by him but by his law office Martinez & Mendoza. Second, that the respondent almost met an accident on the two occasions he used the services of the complainant and therefore "he should not be penalized for exercising its right to contest complainants' questionable billings."

...

As to the first reason, we reiterate that as decided by the Metropolitan Trial Court, respondent was liable for the obligation to the complainant. Indeed, respondent cannot avoid the obligation and pass it on to his law firm and just make a complete denial considering that he is a name partner in the firm and law partnership of Martinez and Mendoza. The Metropolitan Trial Court, therefore, ruled that respondent was, nevertheless, liable for the obligation of his law partnership. Independent of the said decision, we find that the documents attached as Annexes "A" and "B" to the complaint appear to have been signed by the respondent and even assuming

that it was the law firm that was liable, there is nothing on record to show that the law firm questioned the billings of the complainant or that the respondent referred the same to the law firm for proper disposition.

As to the second reason, respondent admits that there was no written demand made for the complainant to account and answer for the “near accidents” alleged by respondent, which “near accidents” as we understand are his reasons for not immediately paying. We find the absence of a written demand from the respondent quite odd especially in the case of a lawyer who is seeking to exercise his “right to contest complainant’s questionable billings” or otherwise hold complainant accountable for the said “near accidents.” It would perhaps be understandable if the omission was made by a layman; but for a lawyer not to put his demand in writing, it would be uncharacteristic to say the least. Neither was a demand made by the law firm of Martinez and Mendoza as a basis for non-payment. We are, therefore, inclined to look at this reason, (near accident) as a mere afterthought and would not justify respondent in not paying for two (2) years what appears to be a clear and simple obligation to complainant. As pointed out by complainant, it was only after a writ of execution was issued when payment was made.

The reason offered by respondent for not paying complainant particularly the alleged “near accident” is, therefore, not justifiable. The said reason appears to us trite and contrived. Lack of funds to pay an obligation may perhaps be a good reason but to use as a reason the said “near accident” on the bare assertion of respondent alone and not supported by any corroborating evidence may not be readily acceptable. We are, on the other hand, also not convinced that respondent was deceitful or grossly negligent by his actions. There is no evidence to show that respondent was acting with deceit in not paying for the obligation incurred. However, we find respondent lacking in probity and forthrightness in dealing with the complaint and quite simply negligent in the handling of this particular obligation to complainant. Taken in the light of the circumstances presented, we believe respondent should be admonished and warned to avoid such similar conduct in the future.

It was, thus, recommended that the respondent be admonished and advised to be more forthright in the handling of his monetary obligations in the future. On July 30, 2004, the IBP Commission on Bar Discipline then issued Resolution No. XVI-2004-378, adopting and approving the recommendation of the Investigating Commissioner, considering that there was no evidence to show that the respondent had acted with deceit in not paying for the questioned obligation.

It is settled that a lawyer may be disbarred or suspended for any misconduct, whether in his professional or private capacity, which shows him to be wanting in moral character, in honesty, probity and good demeanor or unworthy to continue as an officer of the court.[11] A lawyer must, at all times, uphold the integrity and dignity of the legal profession. Indeed, a lawyer brings honor to the legal profession by faithfully performing his duties to society, to the bar, to the courts and to his clients. To this end, a member of the legal fraternity should refrain from doing any act which might lessen in any degree the confidence and trust reposed by the public in the fidelity, honesty and integrity in the legal profession.[12] Thus, lawyers must promptly pay their financial obligations.[13] Their conduct must always reflect the values and norms of the legal profession as embodied in the Code of Professional Responsibility.[14]

In this case, the respondent refused to pay for the services of the complainant, constraining the latter to file charges in order to collect what was due to it under the contracts, in which the respondent himself was the signatory. Moreover, as pointed out by IBP Commissioner Dulay, the respondent’s claim that he almost twice figured in accidents due to the negligent drivers employed by the complainant and that he intended to question the company’s billings (which he also posited was a valid excuse for non-payment), appears to have been concocted as a mere afterthought.

Verily, the respondent is guilty of conduct unbecoming of a member of the bar, and should be admonished for his

actuations.

WHEREFORE, respondent Atty. Esteban Y. Mendoza is hereby ADMONISHED to be more circumspect in his financial obligations and his dealings with the public. He is STERNLY WARNED that similar conduct in the future shall be dealt with more severely.

Let a copy of this Decision be included in the respondent's files which are with the Office of the Bar Confidant, and circularized to all courts and to the Integrated Bar of the Philippines.

SO ORDERED.

Puno, J., Chairman, Austria-Martinez, Tinga, and Chico-Nazario, JJ., concur.

[1] Rollo, pp. 1-5.

[2] Annex "A."

[3] Annex "B."

[4] Annexes "C" and "D."

[5] Annex "E."

[6] Annex "G."

[7] Rollo, p. 3.

[8] Id. at 24.

[9] Id. at 20-21.

[10] TSN, 1 March 2004, p. 3.

[11] *Maligsa v. Cabanting*, 272 SCRA 408 (1997).

[12] Id. at 413.

[13] *Lao v. Medel*, 405 SCRA 227 (2003).

[14] Id. at 232.

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