ATTY. WINSTON C. RACOMA, PETITIONER, VS. CAMARINES NORTE WATER DISTRICT REPRESENTED BY ITS GENERAL MANAGER MA. ANTONIA B. F. BOMA, RESPONDENT.

G.R. No. 144237. October 26, 2001

Ponente: BELLOSILLO, J.

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BELLOSILLO, J.:

A kindred fellow seeks our intervention to collect what he claims is justly due him.

Respondent Camarines Norte Water District (CNWD) engaged the legal services of Atty. Winston C. Racoma to prevent the takeover of its operation, facilities and properties by its creditor the Local Water Utilities Administration (LWUA). This problem was precipitated by allegations of default and unfair unilateral increase in interest rate on the part of CNWD in the payment of its loans from LWUA. As LWUA eventually took over the CNWD and installed an Interim Board of Directors and General Manager on 4 October 1991, Atty. Racoma filed a complaint for specific performance and damages with prayer for preliminary injunction against LWUA, docketed as Civil Case No. 6030.[1] The following day petitioner obtained for CNWD a temporary restraining order preventing LWUA from further managing and operating his client's services.[2]

On 17 October 1991 the Board of Directors of CNWD passed three (3) resolutions revising the original contract of legal services of petitioner Racoma.[3] In this regard, CNWD paid him P20,000.00 on 17 October 1991 and P15,000.00 on 23 October 1991.

After the expiration of the temporary restraining order, LWUA (purportedly in behalf of CNWD) moved to discharge Atty. Racoma as CNWD's counsel. This was followed by LWUA's motion to dismiss Civil Case No. 6030. Thereafter, the trial court issued an order requiring petitioner to file a compliance manifestation to both motions and denied the application for preliminary injunction.[4] As instructed, petitioner filed the compliance manifestation.[5] On 17 January 1992 the trial court issued a Resolution-Order granting the motion for the discharge of petitioner as counsel for CNWD and ordered the payment of his legal fees "in accordance with the 'quantum meruit' rule in relation [to] his up-to-date professional services rendered under the contract of legal services dated September 1, 1991, particularly paragraph IV, as his last pleading submitted."[6]

Petitioner appealed the Resolution-Order to the Court of Appeals which however dismissed the appeal on 8 January 1993 due to his failure to file the corresponding brief.[7] On 3 February 1993 the dismissal became final and executory, and entry of judgment was made on 19 April 1993.[8] On 30 March 1998 petitioner moved for execution of the Resolution-Order,[9] which the trial court granted on 4 June 1998.[10] However, on 9 June 1998 the trial court amended its order instructing payment to petitioner of P250,000.00 as his legal fees.[11] On 19 June 1998 CNWD moved for reconsideration of the amended order.[12] But the trial court denied the motion, explaining that the amount of P250,000.00 was the result of the reference of the Resolution-Order to the "contract of legal services dated September 1, 1991, particularly paragraph IV, as his last pleading submitted," which was inclusive of the P100,000.00 filing charge for the memorandum that petitioner had filed.[13] On 6 July 1998

however the trial court held in abeyance the issuance of a writ of execution due to the pendency of a petition for certiorari with application for injunction and/or restraining order before the Court of Appeals.[14]

On 8 September 1998 CNWD filed a petition with the Court of Appeals to review the Order of Execution and the alleged Writ of Execution issued by the trial court in Civil Case No. 6030. On 5 April 2000 the appellate court nullified these processes on the ground that the dispositive portion of the Resolution-Order that was to be executed did not indicate the exact amount of legal fees payable to petitioner.[15] On 21 June 2000 petitioner's motion for reconsideration was denied. Hence this petition seeking to overturn these resolutions.

Petitioner argues that the Resolution-Order is not fatally vague. He says that this order in fact resolved in his favor his entitlement to legal fees and the amount thereof on the basis of the provisions of the contract for legal services of 1 September 1991, particularly paragraph IV of the last pleading filed. In arriving at the precise amount of legal fees due him, petitioner invokes the power of the court to amend and control its processes as well as the general supervisory control of the tribunal which rendered the decision over the process of execution. He avers in addition that no writ of execution was ever issued by the trial court in Civil Case No. 6030.

We rule for petitioner. As a matter of record, the trial court did not issue any writ of execution that the Court of Appeals thought the court a quo had. This is clear from the Order of the trial court of 6 July 1998 holding in abeyance the execution of the Resolution-Order. It is also a matter of record that the dispositive portion of the Resolution-Order unequivocally set the parameters for the determination of the precise amount of petitioner's legal fees. For purposes of a strait-jacketed enforcement of a writ of execution, this specification of parameters is enough.

As early as Locsin v. Paredes[16] we ruled that the trial judge may clarify omissions and set forth specificities that can be ascertained from the allegation of the complaint, the prayer thereof, the evidence and the conclusions of fact and law.[17] With more reason should this rule apply in the instant case considering that the dispositive portion of the Resolution-Order itself carries the standard by which to determine petitioner's legal fees, and the failure to specify the amount so collectible is a mere omission that the court may correct even at finality of judgment by supplemental or amended order.[18]

Seavan Carrier, Inc. v. GTI Sportswear Corp.[19] is instructive. This case similarly involves a judgment that failed to state the actual amount to be satisfied. We then ruled: "Hence, the trial court, pursuant to its supervisory control over the execution of the judgment, should have ordered a hearing on the motion to determine the actual amount to be recovered by the private respondent, for the full satisfaction of the judgment."[20] So must we rule now. Verily, there is no reason to abandon this ruling and in the process unjustly deprive petitioner of the fruits of his efforts as it were and the wherewithal to maintain an honorable profession. To stress all that the trial court has to do in the present case is to compute the amount owing him following the guidelines set in the Resolution-Order itself.

But we have to correct the elementary computation of legal fees done by the trial court. In the 19 June 1998 Order, the court a quo assessed P250,000.00 in petitioner's favor. Said the trial court: "x x x the Resolution-Order have (sic) even noted the last pleading submitted which is paragraph IV of the contract which is for P100,000.00 for filing and submission of memorandum and it would follow that the previous actual services rendered were for a successful application for a preliminary injunction order for P80,000.00, paragraph III, filing of the case in court for P40,000.00, paragraph II, and signing of the agreement for P30,000.00, paragraph I, or a total of P250,000.00 is what the Resolution-Order want to be the payment in quantum meruit."[21]

While in truth the last pleading filed by petitioner in connection with Civil Case No. 6030 was the compliance manifestation as narrated above,[22] we will nonetheless assume that the trial court consulted all relevant

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circumstances and acted in compliance with law[23] when it ruled that the memorandum was indeed the last pleading filed by him. It must be stressed that under Sec. 24, Rule 138, of the Rules of Court the trial court has wide discretion to ordain the payment of reasonable legal fees of a lawyer.

But the award of P80,000.00 in connection with his application for preliminary injunction must be reduced by fifty percent (50%) or P40,000.00 it appearing that hearings were conducted on the application although no preliminary injunction was issued in the end.[24] Moreover, he had been previously paid P20,000.00 and P15,000.00. The total legal fees pegged at P250,000.00 must accordingly be whittled down. Recomputing what is due him: P30,000.00 upon signing of the contract, plus P40,000.00 upon filing of the case in court, plus P100,000.00 upon filing of the memoranda plus P40,000.00 for the application for preliminary injunction less P35,000.00 previously paid, results in a collectible amount of P175,000.00 only. The kind spirit in petitioner should see this amount as reasonable compensation for his legal services in behalf of CNWD.

WHEREFORE, the petition is GRANTED although the professional legal fee of petitioner Atty. Winston C. Racoma is reduced to One Hundred Seventy-Five Thousand Pesos (P175,000.00). The 9 June 1998 Amended Order of Execution of the 17 January 1992 Resolution-Order is accordingly MODIFIED.

SO ORDERED.

Mendoza, Quisumbing, Buena, and De Leon, Jr., JJ., concur.

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[1] Rollo, pp. 53-57.

[2] RTC Rec., p. 25.

[3] Rollo, pp. 59-61.

[4] RTC Rec., p. 61.

[5] RTC Rec., pp. 79-85.

[6] Penned by Judge Wenifredo A. Armenta, RTC-Br. 41, Daet, Camarines Norte, Rec., pp. 118-123; Rollo, pp. 62-67.

[7] RTC Rec., p. 132.

[8] RTC Rec., p. 131.

[9] RTC Rec., pp. 136-137.

[10] Rollo, p. 80.

[11] RTC Rec., pp. 170-171.

[12] Rollo, pp. 83-86.

[13] Penned by Judge Honesto V. Morales, Pairing Judge of Judge Wenifredo A. Armenta, RTC-Br. 41, Daet, Camarines Norte.

[14] RTC Rec., p. 185.

[15] Rollo, pp. 39-41.

[16] No. 45030, 28 March 1936, 63 Phil. 87.

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[17] See Reinsurance Company of the Orient, Inc. v. CA, G.R. No. 61250, 3 June 1991, 198 SCRA 19; see also Gulang v. CA, G.R. No. 116155, 17 December 1998, 300 SCRA 246; Baguio v. Bandal, G.R. No. 126442, 29 December 1998, 300 SCRA 697.

[18] See Maralit v. Imperial, G.R. No. 130756, 21 January 1999, 301 SCRA 605.

[19] No. L-65953, 16 July 1985, 137 SCRA 580.

[20] Id., p. 587.

[21] See Notes 12 and 13.

[22] RTC Rec., pp. 79-85.

[23] Castelo v. CA, G.R. No. 96372, 22 May 1995, 244 SCRA 180.

[24] 23 October 1991 Order by J. Wenifredo A. Armenta; RTC Rec., p. 61.

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