

AMA COMPUTER COLLEGE, INC., PETITIONER, VS. ATTY. A. D. VALMONTE, RESPONDENT.

G.R. NO. 149875. April 02, 2007

Ponente: SANDOVAL-GUTIERREZ, J.

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SANDOVAL-GUTIERREZ, J.:

For our resolution is the instant Petition for Review on Certiorari[1] assailing the Decision[2] dated April 20, 2001 and Resolution[3] dated September 6, 2001 of the Court of Appeals in CA-G.R. CV No. 54302, entitled "AMA Computer College, Inc., plaintiff-appellant, versus Atty. A.D. Valmonte, defendant-appellee."

On April 16, 1991, petitioner AMA Computer College, Inc. (AMA), an educational institution established and existing under the laws of the Philippines, filed with the Regional Trial Court (RTC), Branch 150, Makati City a complaint for suspension as an attorney against Atty. A. D. Valmonte, respondent, under Section 27[4] and Section 28,[5] Rule 138 of the Revised Rules of Court. The case was docketed as Civil Case No. 91-1038.

The complaint alleges that sometime in 1983, petitioner AMA and Emilio V. Tayao executed a contract of lease over the latter's parcel of land in Makati City. The parties agreed, among others, that the period of the lease shall be for six (6) years; that the land will be used by petitioner as site for its school; and that it has an option to purchase the property.

When petitioner was about to exercise its option to buy the land, Tayao commenced a scheme to frustrate the former's plan by obtaining a loan from an absent party — the FELN International Corporation (FELN). To secure the loan, he executed three (3) simulated promissory notes amounting to P4.5 million in favor of FELN. The notes were without any consideration.

Allegedly, Tayao defaulted in the payment of the loan. So, on July 13, 1989, FELN, through its alleged president Lai Chen Hsung, filed with the RTC, Branch 59, Makati City a fabricated complaint for collection of a sum of money against Tayao, docketed as Civil Case No. 89-4567. FELN's counsel was respondent Atty. A. D. Valmonte.

On July 24, 1989, Tayao and FELN executed a Compromise Agreement whereby the former will pay the loan on or before July 31, 1989. This Compromise Agreement was approved by the trial court in its Compromise Judgment dated August 8, 1989.

Subsequently, FELN filed with the trial court a motion for execution of its Compromise Judgment alleging that Tayao failed to comply with his obligation on time, specifically to pay his loan of P50 million. The motion was granted. Eventually, the building occupied by petitioner was levied upon by the sheriff.

Petitioner then filed with the trial court a motion to lift the order of levy and execution but it was denied on the ground that the Compromise Judgment has become final and executory. This prompted petitioner to file with the RTC, Branch 59 a complaint for suspension as attorney against respondent. Petitioner alleged therein that respondent committed fraudulent acts by filing a "mock action" for sum of money against Tayao based on

fictitious promissory notes. Respondent's purpose was to deprive petitioner of its option to buy the subject property which, because of the levy on execution, disrupted the academic operation of its school with 3,000 students.

In his answer (with counterclaim) to petitioner's complaint, respondent alleged that there was no lawyer-client relationship between him and Tayao. The Compromise Judgment in Civil Case No. 89-4567 has long become final and executory and bars petitioner from assailing the same.

On September 4, 1990, the trial court issued an Order dismissing the complaint for non-suit and authorized respondent to adduce his evidence ex-parte. Petitioner filed a motion for reconsideration which was partly granted by the trial court by allowing counsel to cross-examine respondent.

On May 17, 1996, the trial court rendered its Decision[6] in favor of respondent, ordering petitioner to pay the latter P300,000.00 as moral damages and P50,000.00 as attorney's fees, holding that:

From the testimonial and documentary evidence presented by the defendant, the Court is convinced that the filing of this case for the suspension of defendant from the practice of law had unnecessarily and unjustly maligned his professional reputation, competence and integrity. Being in the active practice of law for 40 years, 27 years of which were spent in the law firm of William H. Quasha as senior partner, it is difficult to believe that defendant would resort to fraud and deceit in the exercise of his profession. x x x

On appeal, the Court of Appeals, in its Decision promulgated on April 20, 2001, affirmed the Decision of the trial court with modification in the sense that the moral damages and attorney's fees were reduced to P100,000.00 and P25,000.00, respectively.

Petitioner filed a motion for reconsideration, but it was denied by the appellate court in its Resolution dated September 6, 2001.

Hence, the instant petition for review on certiorari.

Petitioner contends that the Court of Appeals erred in affirming the Decision of the trial court finding that its complaint against respondent was filed in bad faith; and in awarding respondent moral damages and attorney's fees.

In his comment, respondent prays that the petition be dismissed on the ground of res judicata.

The petition lacks merit.

Section 1, Rule 45 of the 1997 Rules of Civil Procedure, as amended, provides:

Filing of petition with the Supreme Court. — A party desiring to appeal by certiorari from a judgment or final order or resolution of the Court of Appeals, the Sandiganbayan, the Regional Trial Court or other courts whenever authorized by law, may file with the Supreme Court a verified petition for review on certiorari. The petition shall raise only questions of law which must be distinctly set forth. (Emphasis supplied.)

Clearly, in a petition for review on certiorari, this Court is limited to reviewing errors of law absent any showing that the findings of fact of the appellate court are not supported by the records.[7]

Petitioner, in urging us to reverse the Decision of the Court of Appeals and thus suspend respondent from the practice of law, alleged in its petition that the promissory notes executed by Tayao in favor of FELN have been simulated; that FELN is a fictitious entity; that Civil Case No. 89-4567 is a "mock suit"; that the Compromise Agreement is a sham; and that respondent fraudulently prevented petitioner from exercising its right to purchase the property. In other words, petitioner wants to relitigate the facts and issues already passed upon by the trial

court and sustained by the Court of Appeals.

Obviously, petitioner pleads that we substitute our own judgment to those of the trial court and the appellate court by conducting our own evaluation of the evidence. This contravenes Section 1, Rule 45 of the Rules requiring the petition to raise only questions of law. This Court is not a trier of facts. It is not its function to analyze or weigh evidence all over again, subject to certain exceptions,[8] none of which is present here.

Moreover, petitioner was declared non-suited by the trial court. The allegations in its complaint, therefore, remain unsubstantiated.

WHEREFORE, we DENY the petition. The challenged Decision and Resolution of the Court of Appeals in CA-G.R. CV No. 54302 are AFFIRMED. Costs against petitioner.

SO ORDERED.

Puno, C.J., (Chairperson), Corona, Azcuna, and Garcia, JJ., concur.

[1] Filed under Rule 45, 1997 Rules of Civil Procedure, as amended.

[2] Penned by Associate Justice Oswaldo D. Agcaoili (retired) and concurred in by Associate Justice Cancio C. Garcia (now a member of this Court) and Associate Justice Elvi John S. Asuncion (dismissed), Rollo, pp. 38-47.

[3] Id., p. 49.

[4] Sec. 27. Disbarment or suspension of attorneys by Supreme Court, grounds therefor. — A member of the bar may be disbarred or suspended from his office as attorney by the Supreme Court for any deceit, malpractice, or other gross misconduct in such office, grossly immoral conduct, or by reason of his conviction of a crime involving moral turpitude, or for any violation of the oath which he is required to take before admission to practice, or for a willful disobedience of any lawful order of a superior court, or for corruptly or willingly appearing as an attorney for a party to a case without authority to do so. The practice of soliciting cases at law for the purpose of gain, either personally or through paid agents or brokers, constitutes malpractice.

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[5] Sec. 28. Suspension of attorney by the Court of Appeals or a Regional Trial Court. — The Court of Appeals or a Regional Trial Court may suspend an attorney from practice for any of the causes named in the last preceding section, and after such suspension such attorney shall not practice his profession until further action of the Supreme Court in the premises.

[6] Rollo, pp. 171-176.

[7] Bernaldez v. Francia, G.R. No. 143929, February 28, 2003, 398 SCRA 488.

[8] The exceptions are: (1) when the findings are grounded on speculation, surmises or conjectures; (2) when the inference made is manifestly mistaken, absurd or impossible; (3) when there is grave abuse of discretion in the appreciation of facts; (4) when the factual findings of the trial and appellate courts are conflicting; (5) when the Court of Appeals, in making its findings, has gone beyond the issues of the case and such findings are contrary to the admissions of both appellant and appellee; (6) when the judgment of the appellate court is premised on a misapprehension of facts which, if properly taken into account, will justify a different conclusion; (7) when the findings of fact are conclusions without citation of specific evidence upon which they are based; and (8) when findings of fact of the Court of Appeals are premised on the absence of evidence but are contradicted by the evidence on record.

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