

DOMINGO FLORES, ET AL., PETITIONERS, VS. PHILIPPINE NATIONAL BANK AND ONOFRE P. GUEVARA, RESPONDENTS.

G. R. No. 18537. June 30, 1966

Ponente: MAKALINTAL, J.

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MAKALINTAL, J.:

How much is respondent Attorney Onofre P. Guevara entitled to as attorney's fees for services rendered by him as counsel for the claimants in Case No. 1093-V of the Court of industrial Relations, entitled Domingo Flores et al. vs. Philippine National Bank? The majority in said court, by order dated April 3, 1961, allowed in full the contractual 20% (agreed upon on a contingent basis) of the sum approved by the Bank in favor of said claimants; a minority of one dissented, saying that 1% would be sufficient. The matter is before Us for review upon petition by the claimants.

The Industrial Court found:

"On December 13, 1957 Atty. Guevara filed a petition in behalf of Domingo Flores and forty eight (48) others for the payment of 23% additional compensation for work done on Saturdays, Sundays, holidays, night work and overtime services already rendered. Pending the hearing of this case, extra-judicial negotiations were undertaken by Atty. Onofre P. Guevara as counsel for the petitioners and the attorneys for the bank so much so that in all hearings set thereafter have to be postponed to promote the intention of the parties to settle their dispute amicably. On December 16, 1958, counsel for the parties submitted a joint petition for the withdrawal of this case and/or dismissal of the same without prejudice; and on December 17, 1958, an order was issued approving the joint petition of the parties, in the meantime, negotiations continued. The Board of Directors initiated the examination of the records of the employees affected and, after evaluation, the payment of overtime service rendered by them on Saturdays, Sundays, holidays and night work in 1959, was finally determined. This determination of the amount due the employees affected was in consonance with the proposed settlement of this case out of Court. The action of the bank in processing the claims of the several petitioners was attested to in a communication of the President of the bank to Atty. Guevara on May 5, 1959. On January 5, 1961, the Board of Directors of the Philippine National Bank passed Resolution No. 157 approving the claims of 53 guards with claims amounting to P88,125.86 subject to the conditions described in the Resolution (Exhibit "G-Movant"). Pending the passage of Resolution No. 157 by the Board of Directors of the Philippine National Bank, the petitioners engaged another attorney in the person of Leon O. Ty allowing the said counsel 10% of whatever the petitioners are entitled to from the several claims" of the petitioners.

"It is clear from the evidence that the award of additional compensation covering the claims of the several petitioners was a result of the professional effort of Atty. Onofre P. Guevara, who instituted these claims before this Court in December, 1957. The negotiation for settlement had to wait for several years because after proper computations, the findings of the bank committee must have to be approved by the respondent's Board of Directors after proper processing and this could be done not by the mere twist of time because it involves bank funds and affects lawful claims for employees who have rendered services without the corresponding additional compensation allowed them by law. The award of such claims cannot just merely be hastened by forcing the respondent bank to make the necessary appropriation for same without the necessary study,

processing and auditing, as required by law and the charter of the bank."

The foregoing findings are substantially supported by the evidence. Attorney Guevara did render services in behalf of herein petitioners. The preparation of their joint claims - there were forty nine (49) of them - must have entailed preliminary studies; the actual filing was preceded by an exchange of correspondence with respondent bank; and even when the case was already pending negotiations continued, resulting in the withdrawal of the claims so as to pave the way for an amicable settlement between the parties, which settlement eventually materialized.

It is true, however, that after almost a year since the joint petition to withdraw the case was granted by the lower court. on December 17, 1958 the claimants, having become impatient of waiting for tangible results, wrote a letter to Attorney Guevara giving him thirty days "to follow up the case and make a progress report." It does not appear that Attorney Guevara even answered that letter, and so on December 28, 1959, the thirty-day period having expired, tKey wrote him again, this time terminating his services. Thereupon they engaged Attorney Leon O. Ty to represent them. Attorney ty followed up the negotiations with the bank until finally it approved the claims in the total amount of P88,125.86.

Attorney Ty received 10% of the said amount for his efforts. Attorney Guevara, in our opinion, should be compensated as much. He is not entitled to the whole 20% under his contract because he was discharged before the services agreed upon could be rendered by him in full, and he did not question the reasonablllty of the ground for such discharge. An award of 107. to Attorney Guevara would in no way constitute an additional or unexpected burden upon herein petitioners, since from the very inception they were willing to set aside for legal services 20% of whatever amount they would be able to obtain by virtue of their claims.

WHEREFORE, the order appealed from, dated April 3, 1961, is modified by fixing the fees of respondent Attorney onofre p. Guevara at 10% of P68,125.86, and directing respondent Philippine National Bank to pay the same to him out of the amount deposited with it for the purpose.

No pronouncement as to costs.

Concepcion, C. J., Reyes, J.B.L., Barrera, Dizon, Regala, Bengzon, J.P., Zaldivar, and Sanchez, JJ., concur.

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