

## EN BANC

**[ A.C. No. 9899, September 04, 2018 ]**

**DANDIBERTH CANILLO, COMPLAINANT, VS. ATTY. SERGIO F. ANGELES, RESPONDENT.**

**[A.C. NOS. 9900, 9903-9905]**

**DR. POTENCIANO R. MALVAR, COMPLAINANT, VS. ATTY. SERGIO F. ANGELES, RESPONDENT.**

**[A.C. NO. 9901]**

**LEONORA L. HIZON, COMPLAINANT, VS. ATTY. SERGIO F. ANGELES, RESPONDENT.**

**[A.C. NO. 9902]**

**SHERYL H. CUSTODIO, VENUS H. TUMBAGA, MARYJANE M. HIZON, GLADYS HIZON, AND ADONIS HIZON, COMPLAINANTS, VS. ATTY. SERGIO F. ANGELES, RESPONDENT.**

## D E C I S I O N

### PER CURIAM:

For the Court's resolution are disbarment complaints filed against Atty. Sergio F. Angeles (respondent). In A.C. No. 9899, Dandiberth Canillo (Canillo) charged respondent with gross negligence for failing to comply with the Supreme Court's directive to file a reply which resulted in the dismissal of the petition for review in G.R. No. 153138.<sup>[1]</sup> In A.C. No. 9900, Dr. Potenciano R. Malvar (Dr. Malvar) charged respondent of representing conflicting interests in various civil cases involving a common parcel of land.<sup>[2]</sup> In A.C. Nos. 9901 and 9902, the complainants charged respondent for representing conflicting interests and entering into a champertous contract.<sup>[3]</sup> In A.C. Nos. 9903-9905, Dr. Malvar charged respondent for committing fraudulent and deceitful acts, gross misconduct, malpractice, and violating the Code of Professional Responsibility for failing to account for various sums of money allegedly given to the respondent.<sup>[4]</sup> Upon recommendation of the Office of the Bar Confidant, we consolidated these administrative cases.<sup>[5]</sup>

### A. C. No. 9899

Canillo was one of the plaintiffs in Civil Case No. Q-96-29389.<sup>[6]</sup> Respondent acted as counsel for the plaintiffs in the case. The Court of Appeals, on *certiorari*, ordered the case to be dismissed. Respondent subsequently filed a petition for review before this Court docketed as G.R. No. 153138 (the Canillo petition).<sup>[7]</sup> After the comment

to the petition for review was filed, we required petitioners therein to submit a reply within ten days. Respondent failed to comply with our directive, leading to the denial of the Canillo petition.<sup>[8]</sup> Respondent filed a motion for reconsideration, but we denied reconsideration with finality.<sup>[9]</sup> The Decision became final and executory upon the entry of judgment on April 29, 2003.<sup>[10]</sup>

When he heard of the dismissal of his petition, Canillo demanded to speak with respondent. In a meeting held on September 23, 2004 attended by Canillo, Dr. Malvar, who was the financier in the civil cases, and others, Canillo raised the matter, but respondent angrily parried the question regarding the denial of the Canillo petition and left without giving them any explanation as to what happened.<sup>[11]</sup>

#### *A.C. No. 9900*

Dr. Malvar and respondent became acquainted in 1994, and thereafter became close friends. From 1994 to 2004,<sup>[12]</sup> respondent handled around 24 civil and criminal cases for Dr. Malvar.<sup>[13]</sup> Due to their close relations, respondent introduced Dr. Malvar to Marcelino Lopez (Marcelino), another client and also a business associate. Marcelino co-owned, with his siblings, the land adjacent to the property owned by Dr. Malvar. For business reasons, Dr. Malvar became interested in acquiring portions of the property owned by the Lopezes. The Lopez property was, however, the subject of several civil cases being handled by respondent, namely: (1) Civil Case No. 463-A captioned *Marcelino Lopez, et al. v. Ambrosio Aguilar, et al.*;<sup>[14]</sup> (2) Civil Case No. 96-4193 captioned *Jose Esquivel, Jr. and Carlito Talens v. Marcelino Lopez, et al.*; and (3) Civil Case No. 95-3693 captioned *Angelina Villarosa Hizon, et al. v. Carlito Talens, et al.* <sup>[16]</sup> Respondent represented the Lopezes and the Hizons in these cases.<sup>[17]</sup> Confident of favorable rulings in the cases handled by respondent, Dr. Malvar entered into a joint venture agreement<sup>[18]</sup> with Marcelino, as attorney-in-fact of his co-owners, where the latter granted Dr. Malvar the exclusive right to negotiate for the financing, development, and construction on part of the litigated property. Subsequently, he started to acquire, by way of conditional<sup>[19]</sup> and absolute<sup>[20]</sup> sales, portions thereof. Respondent facilitated the execution of the joint venture agreements and deeds of conditional sale.<sup>[21]</sup>

However, the Regional Trial Court (RTC) of Antipolo City ruled against the Lopezes in Civil Case No. 96-4193. Dr. Malvar tried to convince respondent to allow him to intervene on appeal, but the latter discouraged such action. Dr. Malvar, through another counsel, nonetheless proceeded to file a motion for intervention with the Court of Appeals.<sup>[22]</sup> Respondent immediately filed his comment, vehemently opposing the motion for intervention.<sup>[23]</sup> At this point, the relationship between Dr. Malvar and respondent had already soured, following their verbal altercation during the meeting dated September 23, 2004.<sup>[24]</sup>

Respondent later filed Civil Case No. Q-04-53966 captioned *Feliza Lopez, Ziolo Lopez, Leonardo Lopez, Marcelino E. Lopez and Sergio F. Angeles v. Potenciano Malvar and/or Noel Rubber and Development Corporation* before the RTC of Quezon City, seeking the cancellation of the agreement and deeds of sale executed by Dr.

Malvar and the Lopezes.<sup>[25]</sup> Notably, respondent was himself a plaintiff in the suit.

#### *A. C. Nos. 9901 & 9902*

Leonora L. Hizon, Sheryl Hizon Custodio, Venus Hizon Tumbaga, Maryjane M. Hizon, Gladys Hizon, and Adonis Hizon (collectively, the Hizons) are the grandchildren of the late Lauro Hizon and his surviving spouse, Angelina Villaroza Hizon (Angelina).

<sup>[26]</sup> In 1983, Angelina engaged the services of respondent for the purpose of securing a parcel of land in Antipolo. The contract for professional services provided that respondent will pay for and advance all costs and expenses, including taxes, necessary to secure the Torrens certificate of title for the land. In exchange, Angelina agreed to transfer ownership over two hectares of land to respondent.<sup>[27]</sup>

However, it was only in 1995 or more than a decade after his services were engaged when respondent filed a case for quieting of title against Carlito Talens and Jose Esquivel, Jr., docketed as Civil Case No. 95-3693. Respondent himself was one of the co-plaintiffs in the case, along with Angelina and the heirs of Lauro Hizon.<sup>[28]</sup> Respondent also represented the Lopezes in separate civil cases involving property that overlapped with that which was being claimed by the Hizons.<sup>[29]</sup> Respondent had previously advised Angelina and her children that their claim was dependent upon the Lopezes' claim.<sup>[30]</sup>

#### *A.C. No. 9903*

Respondent, together with Marcelino, facilitated Dr. Malvar's conditional purchase of a 5,000-square meter property in Tandang Sora, Quezon City from one Manuel Silvestre Bernardo (Bernardo), another client of respondent, with an agreed price of P650.00 per square meter. The sale was conditioned upon a favorable ruling in Civil Case No. 12645 which was then pending before the RTC of Quezon City.<sup>[31]</sup> The contract was not signed by Bernardo. On March 13, 1996, two days after the execution of the agreement, Dr. Malvar issued a check amounting to P500,000.00, allegedly in connection with the transaction, which was encashed by respondent.<sup>[32]</sup> Dr. Malvar issued three other checks amounting to P250,000.00, P333,333.00, and P150,000.00 as payment for the Tandang Sora property.<sup>[33]</sup>

On September 6, 2004, Dr. Malvar demanded an accounting of the sums given to respondent.<sup>[34]</sup> Respondent failed to comply, which prompted Dr. Malvar to file a complaint for sum of money against respondent and Marcelino, docketed as Civil Case No. Q-04-54479.<sup>[35]</sup> Respondent also filed his own case, docketed as Civil Case No. Q-04-54356, against Dr. Malvar for collection of attorney's fees.<sup>[36]</sup>

#### *A. C. Nos. 9904 & 9905*

Dr. Malvar purchased from respondent a one-hectare property located in Novaliches, Quezon City allegedly co-owned by respondent. Respondent represented to Dr. Malvar that his claim of co-ownership is based on his contingent attorney's fees in the form of shares in the real property subject of the case.<sup>[37]</sup> On April 25, 1997, Dr. Malvar issued a check<sup>[38]</sup> amounting to P100,000.00 in favor of respondent, who subsequently prepared a deed of conditional sale for the property signed by him and

Dr. Malvar. The contract was conditioned on a favorable decision in Civil Case No. Q-96-29389—the same case respondent handled for Canillo, which reached, and was dismissed by, the Supreme Court (Canillo petition). The contract also provided that in case of an adverse decision, the buyer had no more right to be refunded of the purchase price paid.<sup>[39]</sup> From June 24, 1997 until October 16, 1997, Dr. Malvar issued seven checks amounting to P880,000.00 to respondent and/or Marcelino.<sup>[40]</sup> Dr. Malvar also agreed to finance the filing docket fees for the Canillo case, and issued another check amounting to P435,000.00 to cover these costs.<sup>[41]</sup>

In view of the denial of the Canillo petition, Dr. Malvar demanded that respondent and Marcelino return the P980,000.00 paid in connection with the Canillo property.<sup>[42]</sup> In response, respondent cited the no-refund clause in the deed of conditional sale.<sup>[43]</sup> Dr. Malvar also inquired with the Clerk of Court of the RTC where the Canillo case was pending regarding the amount of filing and docket fees.<sup>[44]</sup> The Clerk of Court certified that the total amount of filing fee was only P45,808.50.<sup>[45]</sup>

Meanwhile, Dr. Malvar was able to obtain a copy of the retainer agreement between Canillo and respondent. This provided that respondent was entitled to the sum equivalent to 30% of the recovery but was silent about respondent's share in the litigated property.<sup>[46]</sup>

### **Recommendation of the IBP**

In the consolidated Explanation/Recommendation,<sup>[47]</sup> Integrated Bar of Philippines (IBP) Investigating Commissioner Wilfredo E.J.E. Reyes found respondent guilty of the following:

- (1) Failing to serve his client, Canillo, with competence and diligence when respondent failed to file a reply as directed by the Supreme Court, which ultimately led to the denial of his client's petition;<sup>[48]</sup>
- (2) Representing conflicting interests for filing a case, in his own capacity and on behalf of the Lopezes, against Dr. Malvar despite respondent acting as counsel for Dr. Malvar in numerous cases and playing an instrumental role in the dealings between Dr. Malvar and the Lopezes;<sup>[49]</sup>
- (3) Entering into a champertous contract with Angelina;<sup>[50]</sup>
- (4) Breach of trust and fraud for his failure to account for the money given by Dr. Malvar in connection with the Tandang Sora property;<sup>[51]</sup>
- (5) Fraud by entering into a deed of conditional sale without proper authority;<sup>[52]</sup> and
- (6) Gross dishonesty and misconduct for failure to account for and return the amount advanced by Dr. Malvar as payment of docket fees.<sup>[53]</sup>

Nonetheless, the Investigating Commissioner absolved respondent respecting the charge of alleged conflict of interest in representing both the Hizons and Lopezes.<sup>[54]</sup> Considering respondent's propensity in violating the Code of Professional Responsibility, the Investigating Commissioner recommended that respondent be indefinitely suspended.<sup>[55]</sup>

The IBP Board of Governors unanimously adopted and approved the recommendation of the Investigating Commissioner.<sup>[56]</sup> It subsequently denied respondent's motion for reconsideration.<sup>[57]</sup>

### **The Court's Ruling**

We concur with the findings of the IBP that respondent violated the Code of Professional Responsibility on numerous occasions. Substantial evidence exists to support the allegations of the complainants.<sup>[58]</sup> Respondent's propensity in violating his duties as a lawyer merits the penalty of disbarment.

#### *A.C. No. 9899*

The reason for the denial of the Canillo petition is clear from the face of our Resolution dated February 5, 2003: "Angeles and Associates, counsel for petitioners, failed to file a reply to the comment on the petition for review on certiorari within the period which expire on November 4, 2002 as required in the resolution of October 16, 2002."<sup>[59]</sup>

In his answer to the complaint, respondent did not refute the allegation that he failed to file a reply. Neither did he provide any compelling reason why he was unable to file one. Instead, he focused his defense on the fact that it was Dr. Malvar, instead of Canillo, who he was regularly talking to in relation to the case.<sup>[60]</sup> This, however, is irrelevant because it was Canillo who was the party-litigant, and respondent was his counsel on record. Respondent's negligence violated Rule 18.03 of the Code of Professional Responsibility which provides:

A lawyer shall not neglect a legal matter entrusted to him, and his negligence in connection therewith shall render him liable.

As we have consistently held, a lawyer's failure to file a brief for his client, despite notice, amounts to inexcusable negligence. A lawyer is bound to protect his client's interest to the best of his ability and with utmost diligence. Once a lawyer agrees to take up the cause of a client, he owes fidelity to such cause and must always be mindful of the trust and confidence reposed in him. A lawyer who discharges his duties with diligence not only protects the interest of his client; he also serves the ends of justice, does honor to the bar, and helps maintain the respect of the community to the legal profession.<sup>[61]</sup>

#### *A.C. No. 9900*