

EN BANC

[A.C. No. 10952, January 26, 2016]

ENGEL PAUL ACA, COMPLAINANT, VS. ATTY. RONALDO P. SALVADO, RESPONDENT.

DECISION

PER CURIAM:

This refers to the October 11, 2014 Resolution^[1] of the Integrated Bar of the Philippines Board of Governors (*IBP-BOG*) which adopted and approved with modification the Report and Recommendation^[2] of the Investigating Commissioner suspending Atty. Ronaldo P. Salvado (*Atty. Salvado*) from the practice of law.

The Complaint:

On May 30, 2012, Engel Paul Aca filed an administrative complaint^[3] for disbarment against Atty. Salvado for violation of Canon 1, Rule 1.01^[4] and Canon 7, Rule 7.03^[5] of the Code of Professional Responsibility (*CPR*).

Complainant alleged, among others, that sometime in 2010, he met Atty. Salvado through Atty. Samuel Divina (*Atty. Divina*), his childhood friend; that Atty. Salvado introduced himself as a lawyer and a businessman engaged in several businesses including but not limited to the lending business; that on the same occasion, Atty. Salvado enticed the complainant to invest in his business with a guarantee that he would be given a high interest rate of 5% to 6% every month; and that he was assured of a profitable investment due by Atty. Salvado as the latter had various clients and investors.

Because of these representations coupled by the assurance of Atty. Salvado that he would not place his reputation as a lawyer on the line, complainant made an initial investment in his business. This initial investment yielded an amount corresponding to the principal plus the promised interest. On various dates from 2010 to 2011, complainant claimed that he was again induced by Atty. Salvado to invest with promises of high rates of return.

As consideration for these investments, Atty. Salvado issued several post-dated checks in the total amount of P6,107,000.00, representing the principal amount plus interests. All checks were drawn from PSBank Account number 040331-00087-9, fully described as follows:

Check Number	Date Issued	Amount
0060144	August 14, 2011	P 657,000.00
0060147	September 29, 2011	P 530,000.00
0060190	September 29, 2011	P 60,000.00

0060194	October 16, 2011	P 90,000.00
0060206	October 17, 2011	P 2,120,000.00
0060191	October 29, 2011	P 1,060,000.00
0060195	November 16, 2011	P 1,590,000.00

Upon presentment, however, complainant was shocked to learn that the aforementioned checks were dishonored as these were drawn from insufficient funds or a closed account.

Complainant made several verbal and written demands upon Atty. Salvado, who at first, openly communicated with him, assuring him that he would not abscond from his obligations and that he was just having difficulty liquidating his assets and collecting from his own creditors. Complainant was even informed by Atty. Salvado that he owned real properties that could serve as payment for his obligations. As time went by, however, Atty. Salvado began to avoid complainant's calls and text messages. Attempts to meet up with him through common friends also proved futile. This prompted complainant to refer the matter to his lawyer Atty. Divina, for appropriate legal action.

On December 26, 2011, Atty. Divina personally served the Notice of Dishonor on Atty. Salvado, directing him to settle his total obligation in the amount of P747,000.00, corresponding to the cash value of the first two (2) PSBank checks, within seven (7) days from receipt of the said notice.^[6] Nevertheless, Atty. Salvado refused to receive the said notice when Atty. Divina's messenger attempted to serve it on him.

Sometime in April 2012, complainant yet again engaged the services of Atty. Divina, who, with his filing clerk and the complainant's family, went to Atty. Salvado's house to personally serve the demand letter. A certain "Mark" who opened the gate told the filing clerk that Atty. Salvado was no longer residing there and had been staying in the province already.

As they were about to leave, a red vehicle arrived bearing Atty. Salvado. Complainant quickly alighted from his vehicle and confronted him as he was about to enter the gate of the house. Obviously startled, Atty. Salvado told him that he had not forgotten his debt and invited complainant to enter the house so they could talk. Complainant refused the invitation and instead told Atty. Salvado that they should talk inside his vehicle where his companions were.

During this conversation, Atty. Salvado assured complainant that he was working on "something" to pay his obligations. He still refused to personally receive or, at the least, read the demand letter.

Despite his promises, Atty. Salvado failed to settle his obligations.

For complainant, Atty. Salvado's act of issuing worthless checks not only constituted a violation of *Batas Pambansa Bilang 22 (B.P. 22)* or the "Anti-Bouncing Checks Law," but also reflected his depraved character as a lawyer. Atty. Salvado not only refused to comply with his obligation, but also used his knowledge of the law to evade criminal prosecution. He had obviously instructed his household staff to lie as

to his whereabouts and to reject any correspondence sent to him. This resort to deceitful ways showed that Atty. Salvado was not fit to remain as a member of the Bar.

The Defense of the Respondent

On July 24, 2012, Atty. Salvado filed his Answer,^[7] denying that he told complainant that he had previously entered into various government contracts and that he was previously engaged in some other businesses prior to engaging in the lending and rediscounting business. Atty. Salvado asserted that he never enticed complainant to invest in his business, but it was Atty. Divina's earnings of good interest that attracted him into making an investment. He further stated that during their initial meeting, it was complainant who inquired if he still needed additional investments; that it was Atty. Divina who assured complainant of high returns; and that complainant was fully aware that the money invested in his businesses constituted a loan to his clients and/or borrowers. Thus, from time to time, the return of investment and accrued interest when due - as reflected in the maturity dates of the checks issued to complainant- could be delayed, whenever Atty. Salvado's clients requested for an extension or renewal of their respective loans. In other words, the checks he issued were merely intended as security or evidence of investment.

Atty. Salvado also claimed that, in the past, there were instances when he would request complainant not to deposit a check knowing that it was not backed up by sufficient funds. This arrangement had worked until the dishonor of the checks, for which he readily offered his house and lot located in Marikina City as collateral.

The Reply of Complainant

On August 30, 2012, complainant filed his Reply,^[8] pointing out that Atty. Salvado did not deny receiving money from him by way of investment. Thus, he must be deemed to have admitted that he had issued several postdated checks which were eventually dishonored. Atty. Salvado's claim that it was complainant himself who prodded him about making investments must be brushed aside for being self-serving and baseless. Assuming *arguendo*, that complainant indeed made offers of investment, Atty. Salvado should have easily refused knowing fully well that he could not fund the checks that he would be issuing when they become due. If it were true that the checks were issued for complainant's security, Atty. Salvado could have drafted a document evidencing such agreement. His failure to present such document, if one existed at all, only proved that the subject checks were issued as payment for complainant's investment.^[9]

Complainant also clarified that his complaint against Atty. Salvado was never meant to harass him. Despite the dishonor of the checks, he still tried to settle the dispute with Atty. Salvado who left him with no choice after he refused to communicate with him properly.

Thereafter, the parties were required to file their respective mandatory conference briefs and position papers. Atty. Salvado insisted that he had acted in all honesty and good faith in his dealings with the complainant. He also emphasized that the title to his house and lot in Greenheights Subdivision, Marikina City, had been transferred in the name of complainant after he executed a deed of sale as an