

THIRD DIVISION

[A. C. No. 6281, September 26, 2011]

VALENTIN C. MIRANDA, COMPLAINANT, VS. ATTY. MACARIO D. CARPIO, RESPONDENT.

DECISION

PERALTA, J.:

This is a disbarment case against Atty. Macario D. Carpio filed by Valentin C. Miranda.^[1]

The facts, as culled from the records, are as follows:

Complainant Valentin C. Miranda is one of the owners of a parcel of land consisting of 1,890 square meters located at Barangay Lupang Uno, Las Piñas, Metro Manila. In 1994, complainant initiated Land Registration Commission (LRC) Case No. M-226 for the registration of the aforesaid property. The case was filed before the Regional Trial Court of Las Piñas City, Branch 275. During the course of the proceedings, complainant engaged the services of respondent Atty. Carpio as counsel in the said case when his original counsel, Atty. Samuel Marquez, figured in a vehicular accident.

In complainant's Affidavit,^[2] complainant and respondent agreed that complainant was to pay respondent Twenty Thousand Pesos (Php20,000.00) as acceptance fee and Two Thousand Pesos (Php2,000.00) as appearance fee. Complainant paid respondent the amounts due him, as evidenced by receipts duly signed by the latter. During the last hearing of the case, respondent demanded the additional amount of Ten Thousand Pesos (Php10,000.00) for the preparation of a memorandum, which he said would further strengthen complainant's position in the case, plus twenty percent (20%) of the total area of the subject property as additional fees for his services.

Complainant did not accede to respondent's demand for it was contrary to their agreement. Moreover, complainant co-owned the subject property with his siblings, and he could not have agreed to the amount being demanded by respondent without the knowledge and approval of his co-heirs. As a result of complainant's refusal to satisfy respondent's demands, the latter became furious and their relationship became sore.

On January 12, 1998, a Decision was rendered in LRC Case No. M-226, granting the petition for registration, which Decision was declared final and executory in an Order dated June 5, 1998. On March 24, 2000, the Land Registration Authority (LRA) sent complainant a copy of the letter addressed to the Register of Deeds (RD) of Las Piñas City, which transmitted the decree of registration and the original and owner's duplicate of the title of the property.

On April 3, 2000, complainant went to the RD to get the owner's duplicate of the Original Certificate of Title (OCT) bearing No. 0-94. He was surprised to discover that the same had already been claimed by and released to respondent on March 29, 2000. On May 4, 2000, complainant talked to respondent on the phone and asked him to turn over the owner's duplicate of the OCT, which he had claimed without complainant's knowledge, consent and authority. Respondent insisted that complainant first pay him the PhP10,000.00 and the 20% share in the property equivalent to 378 square meters, in exchange for which, respondent would deliver the owner's duplicate of the OCT. Once again, complainant refused the demand, for not having been agreed upon.

In a letter^[3] dated May 24, 2000, complainant reiterated his demand for the return of the owner's duplicate of the OCT. On June 11, 2000, complainant made the same demand on respondent over the telephone. Respondent reiterated his previous demand and angrily told complainant to comply, and threatened to have the OCT cancelled if the latter refused to pay him.

On June 26, 2000, complainant learned that on April 6, 2000, respondent registered an adverse claim on the subject OCT wherein he claimed that the agreement on the payment of his legal services was 20% of the property and/or actual market value. To date, respondent has not returned the owner's duplicate of OCT No. 0-94 to complainant and his co-heirs despite repeated demands to effect the same.

In seeking the disbarment or the imposition of the appropriate penalty upon respondent, complainant invokes the following provisions of the Code of Professional Responsibility:

Canon 20. A lawyer shall charge only fair and reasonable fees.

Canon 16. A lawyer shall hold in trust all moneys and properties of his client that may come into his possession.

Canon 16.03. A lawyer shall deliver the funds and properties of his client when due or upon demand. x x x

In defense of his actions, respondent relied on his alleged retaining lien over the owner's duplicate of OCT No. 0-94. Respondent admitted that he did not turn over to complainant the owner's duplicate of OCT No. 0-94 because of complainant's refusal, notwithstanding repeated demands, to complete payment of his agreed professional fee consisting of 20% of the total area of the property covered by the title, *i.e.*, 378 square meters out of 1,890 square meters, or its equivalent market value at the rate of PhP7,000.00 per square meter, thus, yielding a sum of PhP2,646,000.00 for the entire 378-square-meter portion and that he was ready and willing to turn over the owner's duplicate of OCT No. 0-94, should complainant pay him completely the aforesaid professional fee.

Respondent admitted the receipt of the amount of PhP32,000.00, however, he alleged that the amount earlier paid to him will be deducted from the 20% of the current value of the subject lot. He alleged that the agreement was not reduced

into writing, because the parties believed each other based on their mutual trust. He denied that he demanded the payment of PhP10,000.00 for the preparation of a memorandum, since he considered the same unnecessary.

In addition to the alleged agreement between him and complainant for the payment of the 20% professional fees, respondent invoked the principle of "*quantum meruit*" to justify the amount being demanded by him.

In its Report and Recommendation^[4] dated June 9, 2005, the Integrated Bar of the Philippines-Commission on Bar Discipline (IBP-CBD) recommended that respondent be suspended from the practice of law for a period of six (6) months for unjustly withholding from complainant the owner's duplicate of OCT No. 0-94 in the exercise of his so-called attorney's lien. In Resolution No. XVII-2005-173,^[5] dated December 17, 2005, the IBP Board of Governors adopted and approved the Report and Recommendation of the IBP-CBD.

Respondent filed a motion for reconsideration of the resolution of the IBP Board of Governors adopting the report and recommendation of the IBP-CBD. Pending the resolution of his motion for reconsideration, respondent filed a petition for review^[6] with this Court. The Court, in a Resolution^[7] dated August 16, 2006, directed that the case be remanded to the IBP for proper disposition, pursuant to this Court's resolution in *Noriel J. Ramientas v. Atty. Jocelyn P. Reyala*.^[8]

In Notice of Resolution No. XVIII-2008-672, dated December 11, 2008, the IBP Board of Governors affirmed Resolution No. XVII-2005-173, dated December 17, 2005, with modification that respondent is ordered to return the complainant's owner's duplicate of OCT No. 0-94 within fifteen days from receipt of notice. Hence, the present petition.

The Court sustains the resolution of the IBP Board of Governors, which affirmed with modification the findings and recommendations of the IBP-CBD. Respondent's claim for his unpaid professional fees that would legally give him the right to retain the property of his client until he receives what is allegedly due him has been paid has no basis and, thus, is invalid.

Section 37, Rule 138 of the Rules of Court specifically provides:

Section 37. *Attorney's liens.* - An attorney shall have a lien upon the funds, documents and papers of his client, which have lawfully come into his possession and may retain the same until his lawful fees and disbursements have been paid, and may apply such funds to the satisfaction thereof. He shall also have a lien to the same extent upon all judgments for the payment of money, and executions issued in pursuance of such judgments, which he has secured in a litigation of his client, from and after the time when he shall have caused a statement of his claim of such lien to be entered upon the records of the court rendering such judgment, or issuing such execution, and shall have caused written notice thereof to be delivered to his client and to the adverse party; and he shall have the same right and power over such