

FIRST DIVISION

[G.R. NO. 152072, January 31, 2006]

ROMEO G. ROXAS AND SANTIAGO N. PASTOR, PETITIONERS, VS. ANTONIO DE ZUZUARREGUI, JR., ENRIQUE DE ZUZUARREGUI, PACITA JAVIER, ELIZABETH R. GONZALES, JOSEFINA R. DAZA, ELIAS REYES, NATIVIDAD REYES, TERESITA REYES, JOSE REYES AND ANTONIO REYES, RESPONDENTS.

[G.R. NO. 152104]

ANTONIO DE ZUZUARREGUI, JR., ENRIQUE DE ZUZUARREGUI, PACITA JAVIER, ELIZABETH R. GONZALES, JOSEFINA R. DAZA, ELIAS REYES, NATIVIDAD REYES, TERESITA REYES, JOSE REYES AND ANTONIO REYES, PETITIONERS, VS. THE NATIONAL HOUSING AUTHORITY, JOSE B. H. PEDROSA, ROMEO G. ROXAS AND SANTIAGO N. PASTOR, RESPONDENTS.

DECISION

CHICO-NAZARIO, J.:

Before Us are two petitions for review on *certiorari*^[1] which were consolidated per Resolution^[2] of this Court dated 27 November 2002. The petitioners in G.R. No. 152072, Attys. Romeo G. Roxas and Santiago N. Pastor, seek the reversal and annulment of the Decision^[3] and Resolution^[4] of the Court of Appeals dated 25 June 2001 and 06 February 2002, respectively. The petitioners in G.R. No. 152104, the Zuzuarreguis, on the other hand, pray that the said Decision and Resolution of the Court of Appeals be modified. Said Decision and Resolution reversed and set aside the decision of the Regional Trial Court (RTC), Branch 98, Quezon City, dated 03 January 1994.

THE ANTECEDENTS

The instant cases had their beginnings in 1977 when the National Housing Authority (NHA) filed expropriation proceedings against the Zuzuarreguis, petitioners in G.R. No. 152104, for parcels of land belonging to the latter situated in Antipolo, Rizal, with a total land area of 1,790,570.36 square meters, more or less. This case was lodged before the RTC, Branch 141, Municipality of Makati,^[5] docketed therein as Civil Case No. 26804 entitled, "National Housing Authority v. Pilar Ibañez Vda. De Zuzuarregui, et al."

On 25 May 1983, said case was ordered archived^[6] by Branch 141.

About a month before the aforementioned case was ordered archived, the Zuzuarreguis engaged the legal services of Attys. Romeo G. Roxas and Santiago N. Pastor, to

represent them in Civil Case No. 26804. This was sealed by a Letter-Agreement dated 22 April 1983, which is partly reproduced hereunder:

April 22, 1983

Mr. Antonio de Zuzuarregui, Jr.
Mrs. Pacita Javier (as heir to
the late Jose de Zuzuarregui)
Mr. Antonio de Zuzuarregui (as heir to
the late Pilar Y. vda. De Zuzuarregui)

Dear Sir and Madam:

This is to confirm in writing our verbal negotiations for us to represent you in the expropriation proceedings filed by the National Housing Authority against your goodselves before the Court of First Instance of Rizal (now the Regional Trial Court) and docketed as Civil Case No. 26804. Our representation shall also include the areas taken over by the Ministry of Public Works and Highways which now formed part of the Marcos Highway at Antipolo, Rizal.

The areas affected are the following:

x x x x

We shall endeavor to secure the just compensation with the National Housing Authority and other governmental agencies at a price of ELEVEN PESOS (P11.00) or more per square meter. Any lower amount shall not entitle us to any attorney's fees. At such price of P11.00 per square meter or more our contingent fee[s] is THIRTY PERCENT (30%) of the just compensation.

The other terms and conditions of our proposal are:

x x x x

5. You are willing to accept NHA 5-year bonds as part payment up to 75% of the total compensation. In the event of your desire to discount the bonds, we shall assist to have them discounted at 75% of its face value.

6. Our lawyer's fees shall be in the proportion of the cash/bonds ratio of the just compensation. Likewise our fees are subject to 10% withholding tax.

x x x x

Should the above proposal be acceptable to your goodselves, kindly signify your formal acceptance as (sic) the space hereunder provided.

Very truly yours,

(Sgd.)
SANTIAGO N. PASTOR
Lawyer

(Sgd.)
ROMEO G. ROXAS
Lawyer

CONFORME:

(Sgd.)
ANTONIO DE ZUZUARREGUI,
JR.
In my behalf and as heir to
The late Pilar Y. vda. De
Zuzuarregui

(Sgd.)
PACITA JAVIER
As heir to the late
Jose De Zuzuarregui^[7]

A Motion to Set Case for Hearing,^[8] dated 14 February 1984, was filed by Attys. Roxas and Pastor in Civil Case No. 26804, praying that the case be revived and be set for hearing by the court at the earliest date available in its calendar.

The appropriate proceedings thereafter ensued. On 29 October 1984, a Partial Decision was rendered by Branch 141 in Civil Case No. 26804 fixing the just compensation to be paid to the Zuzuarreguis at P30.00 per square meter.

The NHA filed a Motion for Reconsideration^[9] dated 23 November 1984 praying that the Partial Decision be reconsidered and set aside, and a new one rendered lowering the amount of just compensation in accordance with applicable laws. Pending resolution thereof, a Joint Special Power of Attorney was executed by Antonio De Zuzuarregui, Jr., Enrique De Zuzuarregui and Pacita Javier, in favor of Attys. Roxas and Pastor, viz:

JOINT SPECIAL POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That We, ANTONIO DE ZUZUARREGUI, JR., ENRIQUE DE ZUZUARREGUI and PACITA JAVIER, all of legal age, ..., do hereby appoint, name and constitute ATTYS. ROMEO G. ROXAS and SANTIAGO PASTOR, to be our true and lawful attorneys to act in our names and on our behalves to do and execute all or any of the following acts and deeds subject to our approval:

x x x x

(2) To represent us in the negotiations for a compromise with the National Housing Authority for our properties subject of the above case;

(3) To negotiate for and in our behalves for the settlement of the just compensation of our properties payable in cash or in bonds;

(4) To sign and prepare all papers relative to the preparation of a Compromise Agreement or any papers and communications which shall eventually bear our signatures; and

(5) That this Special Power of Attorney is enforce (sic) as long as ATTYS. ROMEO G. ROXAS AND SANTIAGO PASTOR are our lawyers in Civil Case No. 26804 before the Regional Trial Court, Makati, Branch CXLI.

HEREBY GIVING AND GRANTING unto our said attorneys full power and authority whatsoever requisite or necessary or proper to be done in or about the premises, as fully to all intents and purposes as we might or could lawfully do if personally present, and hereby ratifying and confirming all that our said attorneys shall do or cause to be done under and by virtue of these presents.

IN WITNESS WHEREOF, We have hereunto set our hands this 26th day of August, 1985, in Makati, M. M., Philippines.

(Sgd.)
ANTONIO DE ZUZUARREGUI, JR.

(Sgd.)
ENRIQUE DE ZUZUARREGUI

(Sgd.)
PACITA JAVIER^[10]

On 22 November 1985, a Special Power of Attorney was executed by Beatriz Zuzuarregui vda. De Reyes in favor of Attys. Romeo G. Roxas, Santiago Pastor and Basilio H. Toquero, quoted as follows:

SPECIAL POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That I, BEATRIZ ZUZUARREGUI VDA. DE REYES, Filipino, of legal age, widow, and a resident of E. Rodriguez Ave., Quezon City, Philippines do hereby appoint, name and constitute ATTYS. ROMEO G. ROXAS, SANTIAGO PASTOR and BASILIO H. TOQUERO, to be my true and lawful attorneys ... :

1. To represent me in the negotiation for a Compromise with the National Housing Authority for my properties subject to my approval in CIVIL CASE No. 26804, entitled "National Housing Authority vs. Pilar Ibañez de Zuzuarregui, et al., before the Regional Trial Court, Makati, Branch CXLI;
2. To negotiate for and in my behalf for the settlement of the just compensation of my properties payable in cash or in bond, subject to my approval;
3. To sign and prepare all papers relative to the preparation of a Compromise Agreement or any papers and communications which shall eventually bear my signature;

4. To accept for and in my behalf payments for my properties after the Compromise Agreement is duly approved by the Court, the actual receipts of which payments shall be signed by me.

HEREBY GIVING AND GRANTING unto my said attorneys full power and authority whatsoever requisite, necessary or proper ... to be done under and by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto set my hand this 22nd day of November 1985, in the City of Manila, Philippines.

(Sgd.) BEATRIZ ZUZUARREGUI
VDA. DE REYES [11]

On 10 December 1985, a Letter-Agreement was executed by and between Antonio Zuzuarregui, Jr., Pacita Javier and Enrique De Zuzuarregui, on the one hand, and Attys. Romeo G. Roxas and Santiago Pastor, on the other. The said Letter-Agreement reads:

December 10, 1985

Atty. Romeo G. Roxas
Atty. Santiago Pastor
Makati Executive Center
Salcedo Village, Makati

Dear Atty. Roxas & Atty. Pastor:

This will confirm an amendment to our agreement regarding your attorney's fees as our lawyers and counsels for the Zuzuarregui's properties expropriated by National Housing Authority covering ONE HUNDRED SEVENTY-NINE (179) HECTARES, more or less, covered by TCT Nos. 138340, 85633 and 85634 and filed as Civil Case No. 26804.

We hereby confirm and agree that we are willing to accept as final and complete settlement for our 179 hectares expropriated by NHA a price of SEVENTEEN PESOS (P17.00) per square meter, or for a total of THIRTY MILLION FOUR HUNDRED THOUSAND PESOS (P30.4 Million), all payable in NHA Bonds.

We also agree and confirm that for and in consideration of your services as our lawyers and counsels in the said expropriation case, we commit and bind ourselves to pay to you, your heirs or assignees-in-interest, as your contingent attorney's fees any and all amount in excess of the SEVENTEEN PESOS (P17.00) per square meter payable in NHA bonds as mentioned above.

This Letter Agreement serves also as your authority to collect directly from NHA the amount pertaining to you as your contingent attorney's fees.