

SECOND DIVISION

[A.C. No. 5280, March 30, 2004]

**WILLIAM S. UY, COMPLAINANT, VS. ATTY. FERMIN L. GONZALES,
RESPONDENT.**

R E S O L U T I O N

AUSTRIA-MARTINEZ, J.:

William S. Uy filed before this Court an administrative case against Atty. Fermin L. Gonzales for violation of the confidentiality of their lawyer-client relationship. The complainant alleges:

Sometime in April 1999, he engaged the services of respondent lawyer to prepare and file a petition for the issuance of a new certificate of title. After confiding with respondent the circumstances surrounding the lost title and discussing the fees and costs, respondent prepared, finalized and submitted to him a petition to be filed before the Regional Trial Court of Tayug, Pangasinan. When the petition was about to be filed, respondent went to his (complainant's) office at Virra Mall, Greenhills and demanded a certain amount from him other than what they had previously agreed upon. Respondent left his office after reasoning with him. Expecting that said petition would be filed, he was shocked to find out later that instead of filing the petition for the issuance of a new certificate of title, respondent filed a letter-complaint dated July 26, 1999 against him with the Office of the Provincial Prosecutor of Tayug, Pangasinan for "Falsification of Public Documents."^[1] The letter-complaint contained facts and circumstances pertaining to the transfer certificate of title that was the subject matter of the petition which respondent was supposed to have filed. Portions of said letter-complaint read:

The undersigned complainant accuses WILLIAM S. UY, of legal age, Filipino, married and a resident of 132-A Gilmore Street corner 9th Street, New Manila, Quezon City, Michael Angelo T. UY, CRISTINA EARL T. UY, minors and residents of the aforesaid address, Luviminda G. Tomagos, of legal age, married, Filipino and a resident of Carmay East, Rosales, Pangasinan, and F. Madayag, with office address at A12, 2/F Vira Mall Shopping Complex, Greenhills, San Juan, Metro Manila, for ESTAFA THRU FALSIFICATION OF PUBLIC DOCUMENTS, committed as follows:

That on March 15, 1996, William S. Uy acquired by purchase a parcel of land consisting of 4.001 ha. for the amount of P100,000.00, Philippine Currency, situated at Brgy. Gonzales, Umingan, Pangasinan, from FERMIN C. GONZALES, as evidenced by a Deed of Sale executed by the latter in favor of the former...; that in the said date, William S. Uy received the Transfer Certificate of Title No. T-33122, covering the said land;

That instead of registering said Deed of Sale and Transfer Certificate of Title (TCT) No. T-33122, in the Register of Deeds for the purpose of transferring the same in his name, William S. Uy executed a Deed of Voluntary Land Transfer of the aforesaid land in favor of his children, namely, Michael Angelo T. Uy and Cristina Earl T. Uy, wherein William S. Uy made it appear that his said children are of legal age, and residents of Brgy. Gonzales, Umingan, Pangasinan, when in fact and in truth, they are minors and residents of Metro Manila, to qualify them as farmers/beneficiaries, thus placing the said property within the coverage of the Land Reform Program;

That the above-named accused, conspiring together and helping one another procured the falsified documents which they used as supporting papers so that they can secure from the Office of the Register of Deeds of Tayug, Pangasinan, TCT No. T-5165 (Certificate of Land Ownership Award No. 004 32930) in favor of his above-named children. Some of these Falsified documents are purported Affidavit of Seller/Transferor and Affidavit of Non-Tenancy, both dated August 20, 1996, without the signature of affiant, Fermin C. Gonzales, and that on that said date, Fermin C. Gonzales was already dead... ;

That on December 17, 1998, William S. Uy with deceit and evident intent to defraud undersigned, still accepted the amount of P340,000.00, from Atty. Fermin L. Gonzales, P300,000.00, in PNB Check No. 0000606, and P40,000.00, in cash, as full payment of the redemption of TCT No. 33122...knowing fully well that at that time the said TCT cannot be redeemed anymore because the same was already transferred in the name of his children;

That William S. Uy has appropriated the amount covered by the aforesaid check, as evidenced by the said check which was encashed by him...;

That inspite of repeated demands, both oral and in writing, William S. Uy refused and continue to refuse to deliver to him a TCT in the name of the undersigned or to return and repay the said P340,000.00, to the damage and prejudice of the undersigned.^[2]

With the execution of the letter-complaint, respondent violated his oath as a lawyer and grossly disregarded his duty to preserve the secrets of his client. Respondent unceremoniously turned against him just because he refused to grant respondent's request for additional compensation. Respondent's act tarnished his reputation and social standing.^[3]

In compliance with this Court's Resolution dated July 31, 2000,^[4] respondent filed his Comment narrating his version, as follows:

On December 17, 1998, he offered to redeem from complainant a 4.9 hectare-property situated in Brgy. Gonzales, Umingan, Pangasinan covered by TCT No. T-33122 which the latter acquired by purchase from his (respondent's) son, the late Fermin C. Gonzales, Jr.. On the same date, he paid complainant P340,000.00 and demanded the delivery of TCT No. T-33122 as well as the execution of the Deed of

Redemption. Upon request, he gave complainant additional time to locate said title or until after Christmas to deliver the same and execute the Deed of Redemption. After the said period, he went to complainant's office and demanded the delivery of the title and the execution of the Deed of Redemption. Instead, complainant gave him photocopies of TCT No. T-33122 and TCT No. T-5165. Complainant explained that he had already transferred the title of the property, covered by TCT No. T-5165 to his children Michael and Cristina Uy and that TCT No. T-5165 was misplaced and cannot be located despite efforts to locate it. Wanting to protect his interest over the property coupled with his desire to get hold of TCT No. T-5165 the earliest possible time, he offered his assistance *pro bono* to prepare a petition for lost title provided that all necessary expenses incident thereto including expenses for transportation and others, estimated at P20,000.00, will be shouldered by complainant. To these, complainant agreed.

On April 9, 1999, he submitted to complainant a draft of the petition for the lost title ready for signing and notarization. On April 14, 1999, he went to complainant's office informing him that the petition is ready for filing and needs funds for expenses. Complainant who was with a client asked him to wait at the anteroom where he waited for almost two hours until he found out that complainant had already left without leaving any instructions nor funds for the filing of the petition. Complainant's conduct infuriated him which prompted him to give a handwritten letter telling complainant that he is withdrawing the petition he prepared and that complainant should get another lawyer to file the petition.

Respondent maintains that the lawyer-client relationship between him and complainant was terminated when he gave the handwritten letter to complainant; that there was no longer any professional relationship between the two of them when he filed the letter-complaint for falsification of public document; that the facts and allegations contained in the letter-complaint for falsification were culled from public documents procured from the Office of the Register of Deeds in Tayug, Pangasinan.^[5]

In a Resolution dated October 18, 2000, the Court referred the case to the Integrated Bar of the Philippines (IBP) for investigation, report and recommendation.^[6]

Commissioner Rebecca Villanueva-Maala ordered both parties to appear on April 2, 2003 before the IBP.^[7] On said date, complainant did not appear despite due notice. There was no showing that respondent received the notice for that day's hearing and so the hearing was reset to May 28, 2003.^[8]

On April 29, 2003, Commissioner Villanueva-Maala received a letter from one Atty. Augusto M. Macam dated April 24, 2003, stating that his client, William S. Uy, had lost interest in pursuing the complaint he filed against Atty. Gonzales and requesting that the case against Atty. Gonzales be dismissed.^[9]

On June 2, 2003, Commissioner Villanueva-Maala submitted her report and recommendation, portions of which read as follows:

The facts and evidence presented show that when respondent agreed to handle the filing of the Verified Petition for the loss of TCT No. T-5165,