

FIRST DIVISION

[A.C. No. 7972, October 03, 2018]

ANGELITO CABALIDA, PETITIONER, V. ATTY. SOLOMON A. LOBRIDO, JR. AND ATTY. DANNY L. PONDEVILLA, RESPONDENTS.

D E C I S I O N

LEONARDO-DE CASTRO, CJ.:

Before Us is a Petition for Review under Rule 45 of the 1997 Rules of Civil Procedure of the Resolutions issued by the Board of Governors of the Integrated Bar of the Philippines (IBP) dated December 29, 2012^[1] and September 27, 2014.^[2]

The lone issue to be resolved by this Court is:

"Whether the Board of Governors of the IBP gravely erred in exonerating Respondents despite the commission of acts violative of the Code of Professional Responsibility."^[3]

Petitioner Angelito Cabalida (Cabalida) avers to be a high school undergraduate who was drawn into a legal battle over property rights and in the process found himself dealing with two law practitioners herein named respondents Atty. Solomon Lobrido, Jr. and Atty. Danny Pondevilla.

Cabalida believes that he had been wronged by both respondents-lawyers on account of which he lost a piece of real estate property located at Rio Vista Homes, Barangay Tacoling, Bacolod City and covered by Transfer Certificate of Title (TCT) No. T-227214 registered in his name.

The present case, which began as an issue involving land ownership, sales and mortgages, concludes with a reminder to members of the Bar of the proper discharge of their duties in their practice of law. It also covers a proper reading and interpretation of the 1997 Rules of Civil Procedure and a review of a decision of the Board of Governors of the Integrated Bar of the Philippines (IBP-BOG).

This is an opportune time for this Court to articulate, once again, the very essence of principled legal practice based on our Code of Professional Responsibility and the Canons of Professional Ethics to serve as a guide to all legal practitioners.

We proceed with the factual and procedural background of this case.

Civil Case No. 30337 for Ejectment with Damages^[4] was instituted before the Municipal Trial Court in Cities (MTCC) of the City of Bacolod, Negros Occidental by Cabalida against Reynaldo Salili (Salili) and Janeph Alpiere (Alpiere). Cabalida alleged in his complaint that he is the owner of a parcel of land, on which a residential property stands, located in Rio Vista Homes Subdivision, Barangay Tacoling, Bacolod City, registered under Transfer Certificate Title No. T-227214 in his

name. Alan Keleher (Keleher), an Australian national, gifted the property to Cabalida by virtue of their special relationship and they lived therein until they encountered a minor misunderstanding. Cabalida returned to his family residence in Purok Pag-asa, Barangay Estefania, Bacolod City while Keleher continued living in the property. Keleher then hired Alpiere as his house help who would clean the property every Saturday.

On April 4, 2005, Keleher committed suicide inside the property. Since Keleher had no family in the Philippines, Alpiere, as his house help, was assigned by the Australian Embassy to arrange the disposition of Keleher's body and to sell his personal properties to produce funds for the funeral expenses. Cabalida assisted Alpiere in preparing a memorial for Keleher in Alisbo Funeral Homes. After selling Keleher's personal properties, however, Alpiere kept the proceeds of the sale and failed to return to the funeral homes. Thus, Cabalida bore the obligation of paying Alisbo Funeral Homes in order to finally dispose Keleher's body.

Cabalida thereafter returned to his property to find it locked. He learned that Alpiere bolted the property because Keleher failed to pay him his salary, refusing to open the gates to anyone until he receives proper compensation. Cabalida requested the police and the barangay to assist him in entering his property but they refused to get involved in the absence of a court order. Later, Cabalida learned that Alpiere leased the property to Salili. Cabalida approached Salili and requested him to vacate the property but Salili refused and instead dared Cabalida to institute a civil action.

Aggrieved by the situation, Cabalida filed a complaint for ejectment^[5] in the Office of the *Lupong Tagapamayapa* of Barangay Taculing, Bacolod City on August 12, 2005, but no settlement was reached. On August 19, 2005, Cabalida sent a demand letter^[6] to Alpiere and Salili, ordering them to vacate the property and to pay the rent. Since the demand proved futile, Cabalida availed the legal services of herein respondent Atty. Solomon Lobrido (Atty. Lobrido) for purposes of representing him in a civil action for Ejectment against Alpiere and Salili. At the time of said action, Atty. Lobrido was a partner in Ramos, Lapore, Pettiere and Lobrido Law Offices. On September 23, 2005, Lobrido filed Civil Case No. 30337 for Ejectment with Damages against Alpiere and Salili in the MTCC.

For their part, Alpiere and Salili availed the legal services of herein respondent Atty. Danny L. Pondevilla (Atty. Pondevilla), who at the time was a partner in Basiao, Bolivar and Pondevilla Law Office and was concurrently a City Legal Officer (CLO) of Talisay City, Negros Occidental for the years 2004-2007. In their Answer with Counterclaim^[7] dated October 10, 2005, Alpiere and Salili stated that Cabalida was merely a dummy of Keleher because the latter cannot register the property under his name. Cabalida had also surrendered his interests over the property when he abandoned Keleher, and turned over the title of the property and the deed of sale for a considerable amount. Alpiere thereafter bought the property for P161,000.00, as evidenced by a deed of sale,^[8] and later sold the same to Emma Pondevilla-Dequito (Pondevilla-Dequito), Pondevilla's sister, who leased the property to Salili.

In his Reply to Counterclaim^[9] dated October 13, 2005, Cabalida admitted that he left a blank pre-signed deed of sale in Keleher's possession. Keleher and Cabalida allegedly had an understanding that Keleher could dispose the property to a buyer of their choice with or without the presence of Cabalida. Alpiere however stole the deed of sale and falsified it by inserting his name as vendee. Furthermore, it was

impossible that Cabalida would have sold the property to Alpiere for P161,000.00 especially that weeks before the alleged sale, they were adversaries in the failed mediation with the barangay.

Civil Case No. 30337 was then set for Preliminary Conference on February 23, 2006 but was reset to May 17, 2006. In between those periods, the parties, with their respective lawyers, Atty. Lobrido and Atty. Pondevilla (respondents for brevity), met for a possible amicable settlement at Atty. Pondevilla's office. In their initial meeting, the parties agreed that the defendants would no longer pursue the case in exchange for P150,000.00.^[10] Three days thereafter, Cabalida, unassisted by Atty. Lobrido, returned to Atty. Pondevilla's office to finalize the amicable settlement. Atty. Pondevilla conveyed to Cabalida that his clients decided to increase the amount to P250,000.00. The new terms were embodied in a Memorandum of Agreement that was prepared by Atty. Pondevilla but it only contained the signatures of Alpiere and Pondevilla-Dequito because Salili wanted to ponder on its terms for two more weeks. Cabalida on the other hand signed the Memorandum of Agreement on the belief that he can sell the property to a prospective buyer who was willing to purchase the same for P1,300,000.00. For the time being, however, Cabalida considered mortgaging his property and thus hired Lydia S. Gela (Gela) and Wilma Palacios (Palacios), real estate brokers, to assist him in the mortgaging process.

Atty. Pondevilla presented the Memorandum of Agreement to the MTCC on May 17, 2006 but moved for the resetting of the Preliminary Conference, which was granted, because Salili has not yet signed the Memorandum of Agreement. The Preliminary Conference was moved to June 14, 2006. On said date however, counsels for both parties requested for the provisional dismissal of Civil Case No. 30337 on the belief that the parties are close to arriving at an amicable settlement.

Cabalida again met with Atty. Pondevilla on June 17, 2006. This time, he was accompanied by his brokers, Gela and Palacios, and by Danilo Flores (Flores), a common friend of Cabalida and Keleher. Atty. Pond villa entered into a Trust Agreement with Cabalida and his companions as evidenced by a document, entitled Trust Agreement, which was prepared by Atty. Pondevilla on the same day. The Trust Agreement provides that Cabalida, Gela, Palacios and Flores received in trust P250,000.00 from Atty. Pondevilla with the obligation to return the same upon release of the proceeds of the mortgage over the property covered by TCT No. 277214. Upon signing the Trust Agreement, Atty. Pondevilla released TCT No. 227214. In truth there was no money "received in trust."

Cabalida, again unassisted by Atty. Lobrido, returned to Atty. Pondevilla's office on July 2, 2006 to finalize his amicable settlement with Salili and Alpiere. Atty. Pondevilla prepared a new Memorandum of Agreement which contained the same terms as its earlier version but no longer listed Salili as a party or signatory. Nonetheless, Cabalida signed the revised Memorandum of Agreement, which provides:

WITNESSETH:

WHEREAS, [Alpiere and Pondevilla-Dequito] are the holder[s] of the land title of the property described as TCT No. T-227218, located at Bacolod City;

WHEREAS, [Cabalida] filed an ejectment case now pending before Br. 4, of the Municipal Trial Court, Bacolod City against [Alpiere and Pondevilla-

Dequito], and [Salili];

NOW THEREFORE, the parties hereto agree to settle the case amicably by the following terms and conditions:

1. [Alpiere and Pondevilla-Dequito] will no longer claim the lot subject of the case and will allow the mortgage of the property by the registered owner ANGELITO CABALIDA and [Alpiere and Pondevilla Dequito] will turnover possession of the original title.

2. That [Cabalida] will pay [Alpiere and Pondevilla-Dequito] the amount of Two Hundred Fifty Thousand Pesos (P250,000.00) immediately upon execution of this document.

IN WITNESS WHEREOF, the parties have hereunto affixed their signatures, this 2nd day of July, 2006 at Bacolod City, Philippines.

(signed)
JANEPH ALPIERE

(signed)
ANGELITO CABALIDA

(signed)
EMMA L. PONDEVILLA[-DEQUITO]^[11]

On July 19, 2006, Metropol Lending Corporation (MLC) informed Cabalida that the loan has been released in Philippine National Bank (PNB). Immediately after claiming the loan, Cabalida paid P250,000.00 to Atty. Pondevilla for which Atty. Pondevilla issued a receipt^[12] cancelling the trust agreement.

After receipt of P250,000.00 from Cabalida, Atty. Pondevilla submitted the Memorandum of Agreement to the MTCC on August 7, 2006. Simultaneously, Atty. Pondevilla submitted his Ex-parte Manifestation with Motion to Withdraw, with the following averments:

That it is hereby manifested that Angelito Cabalida and Janeph Alpiere already entered into a Memorandum of Agreement to amicably settle the case dated July 2, 2006; x x x.

That it is further manifested that in case the case will be revived against the remaining defendant Reynaldo Salili, he will be withdrawing as his counsel due to conflict of interest as he is already formally joining the law office of the plaintiff.

PRAYER

WHEREFORE, it is respectfully prayed to this Honorable Court to note the manifestation to grant his withdrawal as counsel for the defendant Reynaldo Salili.^[13]

In its Decision^[14] dated August 17, 2006, the MTCC rendered a judgment in accordance with the terms and conditions that were stipulated in the Memorandum of Agreement after finding that "the Memorandum of Agreement is not contrary to law, morals and public policy."

On September 18, 2006, Atty. Lobrido filed an Ex-parte Motion to Withdraw^[15] as Cabalida's counsel stating therein that it was upon Cabalida's request and with his conformity. Atty. Adrian Arellano (Atty. Arellano) filed his Formal Entry of Appearance^[16] for Cabalida on the same date and filed a Motion to Amend Decision praying that the order be amended to include Salili as he refused to vacate the property. The pertinent provisions of the motion thus provides:

4. That to buy peace and to facilitate the termination of the case, Plaintiff had mortgaged his aforementioned property in order to produce the amount which he utilized to settle this case with [Alpiere and Pondevilla-Dequito];

5. That [Salili], a lessee of the aforestated disputed property, merely derives his right to lease the property from the alleged right of [Pondevilla-Dequito], whose alleged right is now extinguished because of the settlement she had entered into with the Plaintiff who has now an unquestionable rights over the disputed property;

6. That Defendant Salili has no more leg to stand on [sic] with the settlement of this case with defendant Alpiere and claimant [Pondevilla-Dequito];

7. Henceforth, Defendant Salili should now be ordered to vacate the premises, pay the corresponding rentals from the time he occupied the aforementioned property up to the present, and damages at the discretion of the Honorable Court.^[17]

The MTCC issued an Order^[18] on September 25, 2006 stating that the Memorandum of Agreement did not bind Salili because he was not one of its signatories. Hence, Civil Case No. 30337 continued only against Salili until it was ultimately dismissed on January 24, 2008,^[19] when Cabalida failed to appear on time for the Preliminary Conference.

In the meantime, Cabalida was unable to pay off his debt to MLC thus his property was foreclosed and sold in a public auction.

On October 8, 2007, the Regional Trial Court of Bacolod City sent a Notice of Extrajudicial Sale of Real Estate Mortgage^[20] to Cabalida, alleging as follows:

To satisfy the outstanding indebtedness of the Mortgagor ANGELITO CABALIDA of Block 81, Lot 17, Purok Pag-asa, Brgy. Estefania, Bacolod City with the Mortgagee in the amount of SEVEN HUNDRED FIFTY-ONE THOUSAND TWO HUNDRED FIFTY PESOS (P751,250.00), exclusive of interest and other charges, the Mortgagee [Metropol Lending Corp.], through this Office, pursuant to Act 3135, as Amended, will SELL at PUBLIC AUCTION on Nov 08, 2007 at Bacolod City Hall of Justice, between the hours of 10:00 a.m. until 11:00 a.m., whatever rights, interest and participation the Mortgagor has in the real estate mortgaged property with all its improvements.

Cabalida now comes before the Court, through the Office of the Bar Confidant, instituting the present administrative complaint with the allegations that respondents engaged in various unethical acts which caused the loss of his property.