

## THIRD DIVISION

[ A.C. No. 11494, July 24, 2017 ]

**HEIRS OF JUAN DE DIOS E. CARLOS, NAMELY, JENNIFER N. CARLOS, JOCELYN N. CARLOS, JACQUELINE CARLOS-DOMINGUEZ, JO-ANN CARLOS-TABUTON, JIMMY N. CARLOS, LORNA A. CARLOS, JERUSHA ANN A. CARLOS AND JAN JOSHUA A. CARLOS, COMPLAINANTS, VS. ATTY. JAIME S. LINSANGAN, RESPONDENT.**

### DECISION

**TIJAM, J.:**

Complainants are children of the late Juan De Dios E. Carlos (Juan) who presently seek to disbar respondent Atty. Jaime S. Linsangan (Atty. Linsangan). Atty. Linsangan acted as counsel for their late father in several cases, one of which involving the recovery of a parcel of land located in Alabang, Muntinlupa City. Complainants alleged that Atty. Linsangan forced them to sign pleadings and documents, sold the parcel of land in Alabang, Muntinlupa City in cahoots with complainants' estranged mother, and evaded payment of income taxes when he divided his share in the subject property as his supposed attorney's fees to his wife and children, all in violation of his oath as lawyer.

#### **The Facts and Antecedent Proceedings**

The parcel of land located in Alabang, Muntinlupa City and covered by Transfer Certificate of Title (TCT) No. 139061 with an area of 12,331 square meters was previously owned by the Spouses Felix and Felipa Carlos. Their son, Teofilo Carlos (Teofilo), convinced them to transfer said title to his name with a promise to distribute the same to his brothers and sisters. Teofilo delivered the owner's duplicate copy of the title to his brother, Juan. However, Teofilo sold the entire property to Pedro Balbanero (Pedro). Pedro, however, failed to pay the agreed installment payments.

For purposes of recovering the subject property from Teofilo (and Teofilo's supposed wife, Felicidad), and from Pedro, Juan engaged the services of Atty. Linsangan. It appears that Atty. Linsangan, for Juan, filed the following cases: (a) a case<sup>[1]</sup> against Felicidad which was settled with the latter acknowledging Juan's one-half interest and ownership over the property; (b) a case against Pedro which was concluded on September 12, 1997; and (c) another case<sup>[2]</sup> against Felicidad, albeit filed by another lawyer who acted under the direct control and supervision of Atty. Linsangan. In this case against Felicidad, it appears that the other half of the property was adjudicated to Juan, as Teofilo's sole heir. Said adjudication was appealed to the CA.<sup>[3]</sup>

It further appears that Atty. Linsangan represented Juan in the following cases,

likewise all involving the subject property: (a) an action for partition<sup>[4]</sup> filed by Bernard Rillo against Pedro; (b) an ejectment case<sup>[5]</sup> filed by Juan against Pedro; and (c) Juan's intervention in the case<sup>[6]</sup> between Pedro and Teofilo.

It finally appears that Atty. Linsangan also represented Juan in the *certiorari* cases and petitions for review filed before the CA<sup>[7]</sup> and this Court,<sup>[8]</sup> likewise involving the same property.

During the pendency of the above cases, or on September 22, 1997, Atty. Linsangan and Juan executed a Contract for Professional Services<sup>[9]</sup> enumerating the above cases being handled by Atty. Linsangan for Juan. In said Contract, Atty. Linsangan and Juan agreed, as follows:

x x x x

WHEREAS, the Parties have decided to consolidate their agreements in connection with ATTORNEY's engagement as CLIENT's attorney to recover the subject property;

NOW, THEREFORE, for and in consideration of the foregoing premises, the parties hereto have mutually agreed and bound themselves as follows:

1. That ATTORNEY shall continue to take all legal steps to recover the 10,000 square meters covered by TCT No. 139061, or any portion thereof acceptable to CLIENT, through any or all of the Court cases mentioned above, or such other Court cases as may be necessary;
2. That ATTORNEY shall not enter into any compromise agreement without the written consent of CLIENT. CLIENT may enter into any compromise agreement only upon consultation with ATTORNEY;
3. That ATTORNEY shall avail of all legal remedies in order to recover the property and shall continue the prosecution of such remedies to the best of his knowledge, ability, and experience, all within legal and ethical bounds;
4. That CLIENT shall shoulder all necessary and incidental expenses in connection with the said cases;
5. That considering, among others, the extent of services rendered by ATTORNEY; the value of the property sought to be recovered; the importance of the case to CLIENT; the difficulty of recovery (considering that the Balbanero spouses have a favorable Court of Appeals['] Decision in C.V. No. 29379, while Felicidad Sandoval's name appears in the TCT No. 139061 as wife of the registered owner, Teofilo Carlos), the professional ability and experience of ATTORNEY; as well as other considerations, **CLIENT hereby confirms and ratifies that he has agreed and bound himself to pay ATTORNEY a contingent fee in an amount equivalent to FIFTY PERCENT (50%) of the market value of the property, or portion thereof, which may be**

**recovered, or the zonal value thereof, whichever is higher.**

The said attorney's fees shall become due and payable upon recovery of the property, or any portion thereof, (a) upon finality of a favorable Court decision, or (b) compromise settlement, whether judicially or extrajudicially, through the execution of any document acknowledging or transferring CLIENT's rights over the property, or any portion thereof, whether or not through ATTORNEY's, CLIENT's, or other person's efforts or mediation, or (c) or by any other mode by which CLIENT's interest on the subject property, or a portion thereof, is recognized, or registered, or transferred to him; or (d) should CLIENT violate this contract; or (e) should CLIENT terminate ATTORNEY's services without legal or just cause.

6. That CLIENT undertakes and binds himself to pay the said attorney's fees to the following:

- (a) To ATTORNEY himself;
- (b) In case of ATTORNEY'S death or disability, to LORNA OBSUNA LINSANGAN;
- (c) In case of death or disability of ATTORNEY and LORNA OBSUNA LINSANGAN, jointly and severally, to LAUREN KYRA LINSANGAN, LORRAINE FREYJA LINSANGAN, and JAMES LORENZ LINSANGAN;
- (d) In default of all the [foregoing], to the estate of ATTORNEY.

7. That this Contract shall be binding and enforceable upon CLIENT's heirs, successors-in-interest, administrators, and assigns, if any.

8. That finally, CLIENT hereby authorizes, at ATTORNEY's option, the annotation of this contract on TCT No. 139061 or any subsequent title which may be issued. (Emphasis supplied)

x x x x<sup>[10]</sup>

However, it was not only Juan who went after the property, but also Bernard Rillo and Alicia Carlos, a sister-in-law. The latter also filed an action<sup>[11]</sup> for recovery of their share and by Compromise Agreement, an area of 2,331 square meters was awarded in their favor, leaving a 10,000 square meter portion of the property.<sup>[12]</sup>

This remaining 10,000 square meter portion was eventually divided in the case filed by Juan against Felicidad (which Atty. Linsangan admits<sup>[13]</sup> to have filed albeit through another lawyer who acted under his control and supervision), through a Compromise Agreement wherein 7,500 square meters of the subject property was given to the heirs of Juan while the remaining 2,500 square meters thereof was given to Felicidad.<sup>[14]</sup> In said Compromise Agreement, the parties likewise agreed to waive as against each other any and all other claims which each may have against the other, including those pending in the CA<sup>[15]</sup> and this Court. This Compromise Agreement was approved by the trial court on December 11, 2009.<sup>[16]</sup>

Subsequently, a Supplemental Compromise Agreement<sup>[17]</sup> dated December 16, 2009 was submitted by the heirs of Juan and Atty. Linsangan, dividing among them the 7,500 square meter-portion of the property as follows: 3,750 square meters to the heirs of Juan and 3,750 square meters to Atty. Linsangan pursuant to the Contract for Professional Services. In said Supplemental Compromise Agreement, Atty. Linsangan waived in favor of his wife and children his 3,750 square meter share, except as to the 250 square meters thereof, as follows:

- (a) To Mrs. Lorna O. Linsangan - 2,000 square meters;
- (b) To Lauren Kyra O. Linsangan - 500 square meters;
- (c) To Lorraine Freyja O. Linsangan - 500 square meters;
- (d) To James Lorenz O. Linsangan - 500 square meters;
- (e) To Atty. Jaime S. Linsangan - 250 square meters.<sup>[18]</sup>

Said Supplemental Compromise Agreement was likewise approved by the trial court in its Decision<sup>[19]</sup> dated December 18, 2009. There was no mention in the record, however, that the Compromise Agreement and the Supplemental Compromise Agreement were likewise presented for approval before the several courts where the other cases were pending.

On December 10, 2015, Atty. Linsangan executed a Deed of Absolute Sale<sup>[20]</sup> with a certain Helen S. Perez (Helen) covering the entire 12,331 square meters of the subject property for a purchase price of One Hundred Fifty Million Pesos (PhP150,000,000). Atty. Linsangan sold the entire property using the following:

1. a Special Power of Attorney<sup>[21]</sup> dated August 26, 2010, executed by his wife Lorna Linsangan, and children, Lauren Kyra O. Linsangan, Lorraine Freyja O. Linsangan and James Lorenz O. Linsangan to sell their shares in the subject property;
2. a Special Power of Attorney<sup>[22]</sup> dated September 2009, executed by Juan's wife, Bella N. Vda. de Carlos, and their children, Jo-Ann Carlos-Tabuton, Jacqueline Carlos-Dominguez and Jimmy N. Carlos to represent them in all cases involving their interests and shares in the properties of Juan;
3. a Special Power of Attorney<sup>[23]</sup> dated September 30, 2009 executed by Lorna A. Carlos, Jerusha Ann A. Carlos and Jan Joshua A. Carlos to represent them in all cases involving their interests and shares in the properties of Juan;
4. a Special Power of Attorney<sup>[24]</sup> dated May 2013 executed by Porfirio C. Rillo and Jose Rillo to sell their shares consisting of 200 square meter portion and 199 square meter portion, respectively, of the subject property;
5. a Special Power of Attorney<sup>[25]</sup> dated October 15, 2009 executed by Jocelyn N. Carlos and Jennifer N. Carlos to represent them in all cases involving their interests and shares in the properties of Juan;
6. a Special Power of Attorney<sup>[26]</sup> dated May 28, 2010 executed by

Bernard Rillo in favor of Alicia D. Carlos to sell his share in the subject property by virtue of a Compromise Agreement dated September 3, 1987 in the case of Bernard Rillo, et al. vs. Teofilo Carlos, et al., Civil Case No. 11975, Regional Trial Court of Makati City, Branch CXLIV.

On November 28, 2015, Helen issued several checks<sup>[27]</sup> in varying amounts either made payable to Cash or to Jaime S. Linsangan or Lorna O. Linsangan and simultaneous thereto, Atty. Linsangan released the owner's duplicate original of TCT No. 139061 to Helen.<sup>[28]</sup> It further appears that in lieu of one check in the amount of PhP2,500,000, Atty. Linsangan received, in cash, the amounts of PhP2,000,000 on December 4, 2015,<sup>[29]</sup> and PhP500,000 on December 10, 2015,<sup>[30]</sup> from Helen.

Upon learning of the sale, complainants allegedly requested from Atty. Linsangan for their shares in the proceeds and for the copies of the Special Power of Attorney as well as the case records, but that Atty. Linsangan refused.<sup>[31]</sup> Complainants also requested from Atty. Linsangan, this time through another lawyer, Atty. Victor D. Aguinaldo, that their shares in the subject property be at least segregated from the portion sold.<sup>[32]</sup>

On August 20, 2016, complainants wrote a letter<sup>[33]</sup> to Atty. Linsangan revoking the Special Power of Attorney which they executed in the latter's favor. In said letter, complainants accused Atty. Linsangan of conniving with their mother, Bella N. Vda. De Carlos, in submitting the Compromise Agreement and in selling the subject property. Complainants, however, recognized Atty. Linsangan's services for which they proposed that the latter be paid on the basis of *quantum meruit* instead of fifty percent (50%) of the subject property.<sup>[34]</sup>

Subsequently, or in September 2016, complainants filed the instant administrative complaint<sup>[35]</sup> against Atty. Linsangan accusing the latter of forcing them to sign pleadings filed in court, copies of which were not furnished them; of selling the subject property in cahoots with their mother; of evading the payment of income taxes when he apportioned his share in the subject property to his wife and children.<sup>[36]</sup>

By way of Comment,<sup>[37]</sup> Atty. Linsangan avers that the Supplemental Compromise Agreement was never questioned by the complainants until now<sup>[38]</sup> and that they had never requested for a copy thereof from him. Atty. Linsangan admits that the subject of the sale with Helen is the property in Alabang, Muntinlupa City and that complainants were not given a share from the payments because such were specifically made applicable to his and his family's share in the subject property only.<sup>[39]</sup> Atty. Linsangan also contends that the proposal that he be paid on the basis of *quantum meruit* is only for the purpose of reducing his 50% share as stated in the Contract for Professional Services he executed with Juan, so that the balance thereof may accrue to complainants.<sup>[40]</sup>

### **The Issue**

The threshold issue to be resolved is whether respondent is guilty of violating his