

## FIRST DIVISION

[ A.C. No. 2404, August 17, 2016 ]

**NILO B. DIONGZON, PETITIONER, VS. ATTY. WILLIAM MIRANO,  
RESPONDENT.**

### D E C I S I O N

**BERSAMIN, J.:**

A lawyer who agrees to represent a client's interests in the latter's business dealings is duty-bound to keep the confidence of such client, even after their lawyer-client relationship had ended. If he represents any other party in a case against his former client over a business deal he oversaw during the time of their professional relationship, he is guilty of representing conflicting interests, and should be properly sanctioned for ethical misconduct.

#### The Case

Before the Court is the petition for review of the Resolution No. 2013-160 adopted by the Board of Governors of the Integrated Bar of the Philippines (IBP) on the complaint for disbarment filed by the complainant against respondent Atty. William Mirano,<sup>[1]</sup> whereby the IBP Board of Governors found the respondent guilty of representing conflicting interest, and recommended the penalty of suspension from the practice of law for one year. The respondent assails the recommendation of the IBP Board of Governors.

#### Antecedents

On the dates material to this case, the complainant was a businessman engaged in the fishing industry in Bacolod City, Negros Occidental. In 1979, he retained the respondent as his legal counsel to represent him as the plaintiff in Civil Case No. 10679 then pending in the City Court of Bacolod City (Branch 1). In November 1981, the complainant again retained the respondent as his lawyer in relation to the execution of two deeds of sale covering the boats the former was selling to Spouses Almanzur and Milagros Gonzales (Gonzaleses).<sup>[2]</sup> In January 1982, the parties herein signed a retainer contract for legal services that covered legal representation in cases and transactions involving, the fishing business of the complainant.<sup>[3]</sup>

In February 1982, the Gonzaleses sued the complainant for replevin and damages, and sought the annulment of the aforementioned deeds of sale.<sup>[4]</sup> They were represented by Atty. Romeo Flora, the associate of the respondent in his law office. It appears that the bond they filed to justify the manual delivery of the boats subject of the suit had been notarially acknowledged before the respondent without the knowledge and prior consent of the complainant;<sup>[5]</sup> and that the respondent eventually entered his appearance as the counsel for the Gonzaleses against the

respondent.<sup>[6]</sup>

On May 24, 1982, therefore, the complainant initiated this administrative complaint for disbarment against the respondent by verified letter-complaint.<sup>[7]</sup>

The respondent thereafter sought several times the extension of the time for him to file his comment.

In the meantime, Atty. Flora, in an attempt to explain why the respondent had appeared as counsel for the Gonzaleses, filed a manifestation claiming that the Gonzaleses had been his own personal clients, and that he had only requested the respondent's appearance because he had been indisposed at the time.<sup>[8]</sup>

The complainant belied the explanation of Atty. Flora, however, and pointed out that Atty. Flora was actually a new lawyer then working in the law office of the respondent.<sup>[9]</sup> As proof, the complainant submitted the stationery showing the letterhead of the law office of the respondent that included Atty. Flora's name as an associate.<sup>[10]</sup>

In his answer dated September 9, 1982,<sup>[11]</sup> the respondent stated that the complainant had been his client in a different civil case; that the complainant had never consulted him upon any other legal matter; that the complainant had only presented the deeds of sale prepared by another lawyer because he had not been contented with the terms thereof: that he had not been the complainant's retained counsel because the retainer agreement did not take effect; that he had returned the amount paid to him by the complainant; that he had appeared for the Gonzaleses only after their evidence against the complainant had been presented; that the complainant had approached him when he needed a lawyer to defend him from an *estafa* charge: and that the complainant had even wanted him to falsify documents in relation to that *estafa* case, but because he had refused his bidding, the complainant had then filed this administrative case against him.<sup>[12]</sup>

### **Proceedings before the IBP**

The complaint was referred to the IBP for investigation. The case was heard over a long period of time spanning 1985 to 2003,<sup>[13]</sup> and the IBP Board of Governors finally recommended on February 13, 2013 that the respondent be held guilty of conflict of interest for appearing as the counsel for the opponents of the complainant with whom he had an existing lawyer-client relationship, a gross violation of his ethical duties as an attorney; and that he should be punished with suspension from the practice of law for one year.

The Court noted the resolution of the IBP Board of Governors on April 1, 2014.

The respondent filed in this Court a *Manifestation with Motion* and a *Supplement to Manifestation with Motion*, wherein he proceeded to argue against the findings although he initially claimed not to have been furnished with the IBP Board of Governors' recommendation. He posited that he still had a pending *Motion for Reconsideration* in the IBP, and requested that this case be remanded to the IBP for

disposition.

### **Ruling of the Court**

We uphold the findings and recommendations of the IBP Board of Governors because they were substantiated by the records.

On the preliminary matter of procedure being raised by the respondent, it is unnecessary to remand this case to the IBP for further investigation and disposition by the IBP. Remanding the case to the IBP would be superfluous and unnecessary. The complaint was filed in 1982, and since then the case underwent three decades of hearings before different investigating commissioners of the IBP. The matters subject of the complaint were extensively covered and sifted. In our view, the records are already adequate for resolution of the charge against the respondent, which, after all, is something that only the Court can ultimately do.

Was the respondent guilty of representing conflict of interest?

The lawyer-client relationship begins from the moment a client seeks the lawyer's advice upon a legal concern. The seeking may be for consultation on transactions or other legal concerns, or for representation of the client in an actual case in the courts or other fora. From that moment on, the lawyer is bound to respect the relationship and to maintain the trust and confidence of his client. No written agreement is necessary to generate a lawyer-client relationship, but in formalizing it, the lawyer may present a retainer agreement to be considered and agreed to by the client. As with all contracts, the agreement must contain all the terms and conditions agreed upon by the parties.

In this case, the respondent presented such a retainer contract to the complainant, the terms of which are stated below:

The CLIENT retains and employs the ATTORNEY to take charge of the legal matters of the former in connection with his fishing business, and the attorney accepts such retainer and employment subject to the following terms and conditions, to wit:

1. That the term of this contract shall be for two "2" years beginning February, 1982 but is deemed automatically renewed for the same period if not terminated by both parties by virtue of an agreement to that effect and signed by them;
2. That the compensation to be paid by the client for the services of the attorney, shall be three hundred pesos (P300.00) a month;
3. That the attorney may be consulted at all times by CLIENT on all business requiring his professional advice and opinion and when the ATTORNEY gives a written opinion, a copy shall be sent to the CLIENT;