

## FIRST DIVISION

[ A.C. No. 10567, February 25, 2015 ]

**WILFREDO ANGLO, COMPLAINANT, VS. ATTY. JOSE MA. V. VALENCIA, ATTY. JOSE MA. J. CIOCON, ATTY. PHILIP Z. DABAO, ATTY. LILY UY- VALENCIA, ATTY. JOEY P. DE LA PAZ, ATTY. CRIS G. DIONELA, ATTY. RAYMUNDO T. PANDAN, JR., \* ATTY. RODNEY K. RUBICA," AND ATTY. WILFRED RAMON M. PENALOSA, RESPONDENTS.**

### D E C I S I O N

**PERLAS-BERNABE, J.:**

This is an administrative case stemming from a complaint-affidavit<sup>[1]</sup> dated December 4, 2009 filed by complainant Wilfredo Anglo (complainant) charging respondents Attys. Jose Ma. V. Valencia (Atty. Valencia), Jose Ma. J. Ciocon (Atty. Ciocon), Philip Z. Dabao (Atty. Dabao), Lily Uy-Valencia (Atty. Uy-Valencia), Joey P. De La Paz (Atty. De La Paz), Cris G. Dionela (Atty. Dionela), Raymundo T. Pandan, Jr. (Atty. Pandan, Jr.), Rodney K. Rubica (Atty. Rubica), and Wilfred Ramon M. Penalosa (Atty. Pefialosa; collectively, respondents) of violating the Code of Professional Responsibility (CPR), specifically the rule against conflict of interest.

### The Facts

In his complaint-affidavit, complainant alleged that he availed the services of the law firm *Valencia Ciocon Dabao Valencia De La Paz Dionela Pandan Rubica Law Office* (law firm), of which Attys. Valencia, Ciocon, Dabao, Uy-Valencia, De La Paz, Dionela, Pandan, Jr., and Rubica were partners, for two (2) consolidated labor cases<sup>[2]</sup> where he was impleaded as respondent. Atty. Dionela, a partner of the law firm, was assigned to represent complainant. The labor cases were terminated on June 5, 2008 upon the agreement of both parties.<sup>[3]</sup>

On September 18, 2009, a criminal case<sup>[4]</sup> for qualified theft was filed against complainant and his wife by FEVE Farms Agricultural Corporation (FEVE Farms) acting through a certain Michael Villacorta (Villacorta). Villacorta, however, was represented by the law firm, the same law office which handled complainant's labor cases. Aggrieved, complainant filed this disbarment case against respondents, alleging that they violated Rule 15.03, Canon 15 and Canon 21 of the CPR,<sup>[5]</sup> to wit:

CANON 15 - A LAWYER SHALL OBSERVE CANDOR, FAIRNESS AND LOYALTY IN ALL HIS DEALINGS AND TRANSACTIONS WITH HIS CLIENTS.

x x x x

RULE 15.03 - A lawyer shall not represent conflicting interests except by written consent of all concerned given after a full disclosure of the facts.

x x x x

CANON 21 - A LAWYER SHALL PRESERVE THE CONFIDENCES AND SECRETS OF HIS CLIENT EVEN AFTER THE ATTORNEY-CLIENT RELATION IS TERMINATED.

In their defense,<sup>[6]</sup> respondents admitted that they indeed operated under the name *Valencia Ciocon Dabao Valencia De La Paz Dionela Pandan Rubica Law Office*, but explained that their association is not a formal partnership, but one that is subject to certain "arrangements." According to them, each lawyer contributes a fixed amount every month for the maintenance of the entire office; and expenses for cases, such as transportation, copying, printing, mailing, and the like are shouldered by each lawyer separately, allowing each lawyer to fix and receive his own professional fees exclusively.<sup>[7]</sup> As such, the lawyers do not discuss their clientele with the other lawyers and associates, unless they agree that a case be handled collaboratively. Respondents claim that this has been the practice of the law firm since its inception. They averred that complainant's labor cases were solely and exclusively handled by Atty. Dionela and not by the entire law firm. Moreover, respondents asserted that the qualified theft case filed by FEVE Farms was handled by Atty. Penalosa, a new associate who had no knowledge of complainant's labor cases, as he started working for the firm after the termination thereof.<sup>[8]</sup>

Meanwhile, Atty. Dionela confirmed that he indeed handled complainant's labor cases but averred that it was terminated on June 13, 2008,<sup>[9]</sup> and that complainant did not have any monthly retainer contract.<sup>[10]</sup> He likewise explained that he did not see the need to discuss complainant's labor cases with the other lawyers as the issue involved was very simple,<sup>[11]</sup> and that the latter did not confide any secret during the time the labor cases were pending that would have been used in the criminal case with FEVE Farms. He also claimed that the other lawyers were not aware of the details of complainant's labor cases nor did they know that he was the handling counsel for complainant even after the said cases were closed and terminated.<sup>[12]</sup>

### **The IBP's Report and Recommendation**

In a Report and Recommendation<sup>[13]</sup> dated September 26, 2011, the IBP Commissioner found respondents to have violated the rule on conflict of interest and recommended that they be *reprimanded* therefor, with the exception of Atty. Dabao, who had died on January 17, 2010.<sup>[14]</sup>

The IBP found that complainant was indeed represented in the labor cases by the respondents acting together as a law firm and not solely by Atty. Dionela. Consequently, there was a conflict of interest in this case, as respondents, through Atty. Penalosa, having been retained by FEVE Farms, created a connection that would injure complainant in the qualified theft case. Moreover, the termination of attorney-client relation provides no justification for a lawyer to represent an interest

adverse to or in conflict with that of the former client.<sup>[15]</sup>

In a Resolution<sup>[16]</sup> dated February 12, 2013, the IBP Board of Governors adopted and approved the IBP Commissioner's Report and Recommendation *with modification*. Instead of the penalty of *reprimand*, the IBP Board of Governors dismissed the case with warning that a repetition of the same or similar act shall be dealt with more severely.

Complainant filed a motion for reconsideration<sup>[17]</sup> thereof, which the IBP Board of Governors granted in its Resolution<sup>[18]</sup> dated March 23, 2014 and thereby (a) set aside its February 12, 2013 Resolution and (b) adopted and approved the IBP Commissioner's Report and Recommendation, with modification, (1) reprimanding the respondents for violation of the rule on conflict of interest; (2) dismissing the case against Atty. Dabao in view of his death; and (3) suspending Atty. Dionela from the practice of law for one year, being the handling counsel of complainant's labor cases.

### **The Issue Before the Court**

The essential issue in this case is whether or not respondents are guilty of representing conflicting interests in violation of the pertinent provisions of the CPR.

### **The Court's Ruling**

Rule 15.03, Canon 15 and Canon 21 of the CPR provide:

CANON 15 - A LAWYER SHALL OBSERVE CANDOR, FAIRNESS AND LOYALTY IN ALL HIS DEALINGS AND TRANSACTIONS WITH HIS CLIENTS.

x x x x

RULE 15.03 - A lawyer shall not represent conflicting interests except by written consent of all concerned given after a full disclosure of the facts.

x x x x

CANON 21 - A LAWYER SHALL PRESERVE THE CONFIDENCES AND SECRETS OF HIS CLIENT EVEN AFTER THE ATTORNEY-CLIENT RELATIONSHIP IS TERMINATED.

In *Hornilla v. Atty. Salunat*,<sup>[19]</sup> the Court explained the concept of conflict of interest in this wise:

There is conflict of interest when a lawyer represents inconsistent interests of two or more opposing parties. The test is "whether or not in behalf of one client, it is the lawyer's duty to fight for an issue or claim, but it is his duty to oppose it for the other client. In brief, if he argues for one client, this argument will be opposed by him when he argues for the other client." This rule covers not only cases in which confidential