

FIRST DIVISION

[G.R. No. 194814, October 21, 2015]

**ROSARIO ENRIQUEZ VDA. DE SANTIAGO, PETITIONER, VS.
ATTY. JOSE A. SUING, RESPONDENT.**

[G.R. NO. 194825]

**JAIME C. VISTAR, PETITIONER, VS. ATTY. JOSE A. SUING,
RESPONDENT.**

D E C I S I O N

LEONARDO-DE CASTRO, J.:

The Court is now faced with two consolidated cases that stemmed from litigation long-resolved but which gave rise to a dispute between a lawyer and his client.

G.R. No. 194814 is a petition^[1] for review on *certiorari* under Rule 45 of the Rules of Court filed by petitioner Rosario Enriquez Vda. de Santiago (Rosario), while **G.R. No. 194825** is a petition^[2] for review on *certiorari* filed by Jaime C. Vistar (Vistar). Both petitions assail the Amended Decision^[3] dated June 4, 2010 and the Resolution^[4] dated December 17, 2010 of the Court of Appeals in CA-G.R. SP No. 97807.

THE FACTS

The Complaint for Reconveyance

Respondent Atty. Jose A. Suing (Atty. Suing) served as counsel for the plaintiff in **Civil Case No. 59439**, which was filed before the Regional Trial Court (RTC) of Pasig City, Branch 71 on May 7, 1990.^[5] The original plaintiff, Eduardo M. Santiago (Eduardo), sought the reconveyance of 91 parcels of land from the Government Service Insurance System (GSIS). On October 18, 1994, Atty. Suing and Atty. Roberto R. Reverente (Atty. Reverente) entered their appearance as Eduardo's counsels.^[6] Unfortunately, Eduardo passed away on March 6, 1996.^[7] By virtue of the RTC Order^[8] dated March 27, 1996, Eduardo was substituted by his widow, Rosario.

Consequently, on May 8, 1996, Rosario entered into a Memorandum of Understanding (MOU)^[9] with Atty. Suing, Atty. Reverente,^[10] and Atty. Wellington B. Lachica (Atty. Lachica). Said MOU pertinently states:

3. THAT [Atty. Suing, Atty. Reverente] and [Atty. Lachica] agree to render their legal services to [Rosario] on a contingency basis and shall not

collect acceptance nor advance legal fees from [Rosario] excepting only as are consisting of out-of-pocket expenses, such as docket fees, sheriff fees and costs of stenographic notes and photocopies or certified true copies of documents and other legal papers;

4. THAT [Atty. Suing and Atty. Reverente] shall represent [Rosario] during all the trial hearings of the above case; while [Atty. Lachica] shall collaborate and endeavour (sic) also to secure a final and executory judgment of the case before the lower court;

5. THAT in the [event] [Atty. Suing, Atty. Reverente] and [Atty. Lachica] are able to secure a favorable final and executory judgment from the lower court, [Rosario] shall share and deliver to [Atty. Suing, Atty. Reverente] and [Atty. Lachica] out of the net proceeds and/or net benefits which [Rosario] shall have acquired and/or obtained from the said judgment in the following proportions:

a. To [Atty. Suing and Atty. Reverente] - 35% of the net proceeds and/or net benefits;

b. To [Atty. Lachica] - 30% of the net proceeds and/or net benefits;

6. THAT in the [event] of said favorable final and executory judgment [Rosario] agrees to have the above net sharing be constituted as attorney's lien on all the property/ies which may be awarded to [Rosario] in satisfaction of said final judgment;

Thereafter, on December 17, 1997, the RTC rendered judgment in Civil Case No. 59439, ordering GSIS to reconvey 78 of the subject parcels to Rosario or to pay her the fair market value of said parcels of land if reconveyance cannot be done. GSIS appealed the trial court's decision to the Court of Appeals,^[11] which appeal was docketed as CA-G.R. CV No. 62309.^[12] In a Decision dated February 22, 2002, the Court of Appeals affirmed the trial court's ruling. GSIS elevated the case to this Court via a petition for review on *certiorari* that was docketed as G.R. No. 155206, but the petition was also denied in the Court's Decision dated October 28, 2003. Subsequently, after the denial of GSIS's motion for reconsideration, the Court issued an entry of judgment in G.R. No. 155206.^[13]

The Motion for Execution

Thereafter, Rosario, through Atty. Suing, filed a motion for execution of the RTC Decision dated December 17, 1997 as affirmed by the Court of Appeals and this Court. In an **Order dated April 27, 2004**, the trial court granted the motion for execution. The RTC subsequently issued a writ of execution and notices of garnishment to the Philippine National Bank (PNB) and Development Bank of the Philippines (DBP), among others, against the deposits of GSIS. GSIS moved to quash the writ of execution, but the RTC denied the same in its **Order dated May 13, 2004**.

GSIS then assailed the above RTC orders before the Court of Appeals in a petition

for *certiorari* and prohibition with a prayer for a temporary restraining order and/or a writ of preliminary injunction, which was docketed as **CA-G.R. SP No. 84079**. On May 27, 2004, the Court of Appeals temporarily enjoined the enforcement of the trial court's order of execution and garnishment. The appellate court also resolved to grant GSIS's application for a preliminary injunction.^[14]

In a **Decision**^[15] **dated August 3, 2006**, the Court of Appeals eventually allowed the partial execution of the RTC Decision dated December 17, 1997, to wit:

WHEREFORE, premises considered, the instant petition is **PARTIALLY GRANTED**. The orders dated April 27, 2004 and May 13, 2004 and writ of execution dated April 28, 2004, all issued by the Regional Trial Court of Pasig City (Branch 71) in Civil Case No. 59439 entitled "Eduardo M. Santiago, etc., vs. Government Service Insurance System", are **AFFIRMED** with **MODIFICATIONS** in (i) that said orders and writ shall be for the satisfaction of the decision dated December 17, 1997 rendered in said case to the extent of the sum of P399,828,000.00; and (ii) that said court is directed to immediately conduct a hearing for the purpose of determining the fair market value of the subject lots as of April 29, 2004 and, upon such determination, issue an order of execution and the corresponding writ for the unsatisfied portion of the decision, if any.

The motion for reconsideration of our resolution dated July 27, 2004 and motion to allow immediate partial execution filed by respondent Rosario Enriquez Vda. de Santiago are **PARTIALLY GRANTED** in that the writ of preliminary injunction heretofore issued by this Court is **PARTIALLY LIFTED**, such that execution of the decision in Civil Case No. 59439 for the amount of P399,828,000.00 may immediately proceed while the writ of preliminary injunction against the execution of the rest of the judgment award is made **PERMANENT** subject to the disposition in the preceding paragraph.

For lack of merit, the motion to cite GSIS and others for direct contempt is **DENIED**.^[16] (Underscoring supplied.)

GSIS filed a Verified Motion for Reconsideration of the above ruling, but this was denied in the Court of Appeals Resolution dated April 27, 2007. GSIS then assailed in a petition for review on *certiorari* before this Court the Decision dated August 3, 2006 and the Resolution dated April 27, 2007 of the Court of Appeals. Said petition was docketed as G.R. No. 177731.

The Enforcement of Atty. Suing's Lien

Meanwhile, on April 26, 2006, Atty. Suing filed before the RTC in Civil Case No. 59439 a Notice of Attorney's Lien.^[17] Given that the RTC Decision dated December 17, 1997 had since been affirmed with finality by this Court in a Decision dated October 28, 2003 in G.R. No. 155206, Atty. Suing prayed that his attorney's lien and that of Atty. Reverente - *i.e.*, 35% of the net proceeds and/or benefits, as stated in the MOU with Rosario - be satisfied accordingly. In an Order^[18] dated May 3, 2006,

the trial court merely noted the Notice of Attorney's Lien.

In a letter^[19] dated May 29, 2006, Rosario informed Atty. Suing and Atty. Reverente that she was "very disturbed" by their filing of a Notice of Attorney's Lien. Rosario stated that the attorney's fees sought were clearly excessive and unjustified and that she was dismayed that Atty. Suing even filed the claim on behalf of Atty. Reverente and Atty. Lachica. Rosario said that she would be opposing the claim and that she was discharging Atty. Suing and Atty. Reverente as counsels in all of her cases against GSIS.

On June 1, 2006, Rosario filed before the RTC in Civil Case No. 59439 a Notice of Discharge of Counsel,^[20] stating that she has terminated the legal services of Atty. Suing and Atty. Reverente as her counsels of record in said case. In his comment^[21] thereto, Atty. Suing prayed for the denial of the Notice of Discharge of Counsel. He argued that the stipulated 35% of the net proceeds of the judgment award was neither unconscionable nor unreasonable since he and Atty. Reverente were Rosario's counsels for ten years and they successfully obtained a final judgment in her favor.

On June 20, 2006, Atty. Felito S. Ramirez (Atty. Ramirez) and Atty. Nicanor H. Lazaro (Atty. Lazaro) filed their Notice of Appearance^[22] as counsels for Rosario before the RTC in Civil Case No. 59439. Said counsels likewise entered their Notice of Appearance^[23] before the Court of Appeals in CA-G.R. SP No. 84079.

On August 10, 2006, Atty. Suing filed before the RTC in Civil Case No. 59439 a "Motion to Direct the Sheriff to Proceed with the Execution of Garnished Funds of Defendant GSIS with DBP and PNB with Motion for Immediate Execution of Undersigned Counsel's Attorney's Lien against such Garnished Funds."^[24] He prayed, among others, for an order directing the Sheriff of the RTC to collect from the DBP and PNB the amount of P399,828,000.00 and for a writ of execution to be issued to satisfy his attorney's lien amounting to P139,939,800.00.

Rosario opposed the motion, praying that Atty. Suing be required to prove the amount of attorney's fees due him on the basis of *quantum meruit*. Other lawyers who previously represented Rosario in the instant case also filed their respective claims for attorney's fees.

In an **Order dated September 12, 2006**, the RTC resolved thus:

WHEREFORE, premises considered, let the enforcement of the Writ of Execution dated April 28, 2004, up to the extent allowed by the Decision of Court of Appeals proceed immediately. **Ten percent (10%) of the proceeds of the execution or (P39,982,800.00) shall be turned over to the Court to await the disposition of the various claims of the lawyers. The 90% proceeds of the execution shall be turned over immediately to [Rosario].**

The Branch Sheriff of the Court is hereby directed to proceed immediately.^[25] (Emphasis ours.)

On September 13, 2006, Atty. Suing filed before the trial court a Manifestation (re: Proof of Claims for Attorney's Fees per Order dated August 16, 2006).^[26] He argued therein that he remained the counsel of Rosario as the latter's Notice of Discharge of Counsel and the Notice of Appearance of Atty. Ramirez and Atty. Lazaro were yet to be favorably acted upon by the trial court. Atty. Suing also reiterated his and Atty. Reverente's entitlement to 35% of the judgment award as attorney's fees.

Subsequently, GSIS, Atty. Suing, and the other lawyers who filed charging liens on the judgment award to Rosario all assailed the Order dated September 12, 2006 of the trial court. However, the RTC affirmed its previous ruling in an **Order**^[27] **dated November 20, 2006**, decreeing thus:

WHEREFORE, premises considered, the Court resolves to DENY the defendant's motions x x x.

x x x x

The Sheriff is hereby directed to deliver the amount of Php359,845,200.00 representing the 90% of Php399,828,000.00 to [Rosario] or her attorney-in-fact, Mr. Gregorio S.B. Enriquez, Jr.

The court further determines the respective attorney's fees and distributes the **Php39,982,800.00 (10% of Php399,828,000.00)** in the following manner:

1. **Atty. Jose A. Suing and Atty. Roberto R. Reverente - 60% or Php23,989,680.00;**
2. Atty. Sherwin S. Gatdula - 4% or Phpl ,599,312.00;
3. Atty. Wellington B. Lachica - 1% or Php399,828.00; and
4. Atty. Benjamin C. Santos - 35% or Phpl3,993,980.00.^[28]
(Emphases ours.)

GSIS, thereafter, filed before the Court a petition for *certiorari* and prohibition, seeking to annul the RTC Orders dated September 12, 2006 and November 20, 2006 in Civil Case No. 59439 for having been issued with grave abuse of discretion. Said petition was docketed as **G.R. No. 175393**, which was consolidated with G.R. No. 177731. To recall, G.R. No. 177731 involved GSIS's petition for review on *certiorari* under Rule 45, seeking to reverse the Court of Appeals' Decision dated August 3, 2006 and Resolution dated April 27, 2007 in CA-G.R. SP No. 84079.

The Court's Decision in G.R. Nos. 175393 and 177731

In our **Decision**^[29] **dated December 18, 2009**, we dismissed GSIS's consolidated petitions in this wise:

WHEREFORE, in view of the foregoing, the consolidated petitions docketed as **G.R. Nos. 175393 and 177731** are hereby **DISMISSED**. The Decision of the Court of Appeals dated August 3, 2006 in **CA-G.R.**