

SECOND DIVISION

[A.M No. P-11-3003 (Formerly A.M. IPI No. 08-2970-P), April 25, 2012]

RE: COMPLAINT FILED BY PAZ DE VERA LAZARO AGAINST EDNA MAGALLANES, COURT STENOGRAPHER III, REGIONAL TRIAL COURT, BRANCH 28; AND BONIFACIO G. MAGALLANES, PROCESS SERVER, REGIONAL TRIAL COURT, BRANCH 30, BAYOMBONG, NUEVA VIZCAYA.

R E S O L U T I O N

SERENO, J.:

Before the Court is an administrative complaint for failure to pay just debts, dishonesty and extortion filed by Paz De Vera Lazaro (Lazaro), a retired schools district supervisor of Bambang, Nueva Vizcaya against respondents Edna and Bonifacio Magallanes (spouses Magallanes). Edna Magallanes is a Court Stenographer III, Regional Trial Court, Branch 28; while Bonifacio Magallanes is a Process Server, Regional Trial Court, Branch 30, both of Bayombong, Nueva Vizcaya.

The facts are as follows:

Complainant Lazaro lent to respondent spouses Magallanes a total of P135,000 on four separate occasions in the first half of 2005. Respondents offered two land titles and a revolver as collaterals for the loan. One of the land titles turned out to have been encumbered in the amount of P400,000.

Because respondents did not make any payment in spite of promises to do so, complainant was forced to bring the matter to the *Barangay Lupon* on 04 August 2007. The parties reached an amicable settlement, whereby respondents promised to pay their obligation by 30 August 2007. However, Lazaro received only token amounts of P5,000 and P3,000 from the spouses Magallanes.

In their Comment dated 30 October 2008, respondents admit incurring the aforesaid loans, but deny the charges in the Complaint. They also claim that they have already paid P77,000 of their total obligation. Moreover, they contend that, had they defaulted on their payments, Lazaro should have forfeited in her favor the collaterals they had offered to secure the loans.

On 03 December 2010, the Court received Lazaro's 29 November 2010 Affidavit of Desistance which stated that complainant did not want to pursue the administrative complaint anymore, and that she agreed to settle the matter amicably with respondents.

On 07 December 2010, we also received a handwritten amicable settlement dated 05 December 2010 signed by the parties. In the document, respondents promised