

THIRD DIVISION

[A.C. No. 4078, July 14, 2003]

WILLIAM ONG GENATO, COMPLAINANT, VS. ATTY. ESSEX L. SILAPAN, RESPONDENT.

DECISION

PUNO, J.:

In this complaint for disbarment filed by William Ong Genato against respondent Atty. Essex L. Silapan, complainant alleged that in July 1992, respondent asked if he could rent a small office space in complainant's building in Quezon City for his law practice. Complainant acceded and introduced respondent to Atty. Benjamin Dacanay, complainant's retained lawyer, who accommodated respondent in the building and made him handle some of complainant's cases. Hence, the start of the legal relationship between complainant and respondent.

The conflict between the parties started when respondent borrowed two hundred thousand pesos (P200,000.00) from complainant which he intended to use as downpayment for the purchase of a new car. In return, respondent issued to complainant a postdated check in the amount of P176,528.00 to answer for the six (6) months interest on the loan. He likewise mortgaged to complainant his house and lot in Quezon City but did not surrender its title claiming that it was the subject of reconstitution proceedings before the Quezon City Register of Deeds.

With the money borrowed from complainant, respondent purchased a new car. However, the document of sale of the car was issued in complainant's name and financed through City Trust Company.

In January 1993, respondent introduced to complainant a certain Emmanuel Romero. Romero likewise wanted to borrow money from complainant. Complainant lent Romero the money and, from this transaction, respondent earned commission in the amount of P52,289.90. Complainant used the commission to pay respondent's arrears with the car financing firm.

Subsequently, respondent failed to pay the amortization on the car and the financing firm sent demand letters to complainant. Complainant tried to encash respondent's postdated check with the drawee bank but it was dishonored as respondent's account therein was already closed.

Respondent failed to heed complainant's repeated demands for payment. **Complainant then filed a criminal case against respondent for violation of Batas Pambansa Blg. 22 and a civil case for judicial foreclosure of real estate mortgage.**

In the foreclosure case, respondent made the following allegation in his Answer:

x x x

x x x

x x x

4. That complainant is a businessman who is engaged in the real estate business, trading and **buy and sell of deficiency taxed imported cars, shark loans and other shady deals and has many cases pending in court;**

x x x

x x x

x x x

Complainant denied respondent's charges and claimed that respondent's allegation is libelous and not privilege as it was irrelevant to the foreclosure case. Complainant further pointed to paragraph 12 of respondent's Answer, thus:

12. That on January 29, 1993, before paying for the next installment on his car on January 30, 1993, defendant Essex L. Silapan asked the complainant to execute a Deed of Sale transferring ownership of the car to him but the latter said that he will only do so after the termination of his criminal case at Branch 138 of the Regional Trial Court of Makati, Metro Manila, x x x **where he (complainant) wanted Essex L. Silapan, his former counsel in that case, to offer bribe money to the members of the review committee of the Department of Justice where a petition for review of the resolution of the Investigating Prosecutor was pending at the time, x x x or, in the event that the said petition for review is denied, he wanted Essex L. Silapan to offer bribe money to the prosecutor assigned at the above-mentioned Court, and even to the presiding Judge, for his eventual acquittal, which defendant Essex L. Silapan all refused to do not only because such acts are immoral and illegal, but also because the complainant confided to him that he was really involved in the commission of the crime that was charged of in the above-mentioned case. (emphasis supplied)**

Complainant gripes that the foregoing allegations are false, immaterial to the foreclosure case and maliciously designed to defame him. He charged that in making such allegations, respondent is guilty of breaking their confidential lawyer-client relationship and should be held administratively liable therefor. Consequently, he filed this complaint for disbarment, praying also that an administrative sanction be meted against respondent for his issuance of a bouncing check.

When required by the Court to comment, respondent explained^[1] that it was complainant who offered him an office space in his building and retained him as counsel as the latter was impressed with the way he handled a B.P. 22 case^[2] filed against complainant. Respondent insisted that there was nothing libelous in his imputations of dishonest business practices to complainant and his revelation of complainant's desire to bribe government officials in relation to his pending criminal case. He claimed to have made these statements in the course of judicial proceedings to defend his case and discredit complainant's credibility by establishing his criminal propensity to commit fraud, tell lies and violate laws. He argued that he is not guilty of breaking his confidential lawyer-client relationship with complainant as he made the disclosure in defense of his honor and reputation.