



Republic of the Philippines
Supreme Court
Manila

EN BANC

JERRY M. PALENCIA,

Complainant,

A.C. No. 10557

(Formerly CBD Case No. 07-1962)

-versus-

Present:

Atty. PEDRO L. LINSANGAN,
Atty. GERARD M. LINSANGAN,
and Atty. GLENDA M.
LINSANGAN-BINOYA,
Respondents.

CARPIO, Senior Associate Justice*
VELASCO, JR.,
LEONARDO-DE CASTRO,
PERALTA,
BERSAMIN,
DEL CASTILLO,
PERLAS-BERNABE,
LEONEN,**
JARDELEZA,
CAGUIOA,
MARTIRES,
TIJAM,
REYES, JR., and
GESMUNDO, JJ.

Promulgated:

July 10, 2018 •

X -----X

DECISION

PER CURIAM:

Before us is a complaint¹ filed by Jerry M. Palencia (complainant) against Attorneys (Attys.) Pedro L. Linsangan, Gerard M. Linsangan² and Glenda Linsangan-Binoya (respondents) for disciplinary action.

Complainant was an overseas Filipino worker seafarer who was seriously injured during work when he fell into the elevator shaft of the

* Per Section 12, Republic Act No. 296, The Judiciary Act of 1948, as amended.

** On official business.

¹ Rollo, pp. 2-3.

² Also referred to as "Gerald" in some parts of the records.

vessel M/T “Panos G” flying a Cyprus flag.³ After initial treatment in Singapore, complainant was discharged and flown to the Philippines to continue his medical treatment and rehabilitation. While confined at the Manila Doctors Hospital, one “Moises,” and later Jeshrel L. Millena (Jeshrel), paralegals in respondents’ law office, approached complainant. They convinced him to engage the services of respondents’ law office in order to file a suit against his employers for indemnity.⁴ After several visits from the paralegals and respondent Atty. Pedro Linsangan, complainant executed (1) an Attorney-Client Contract,⁵ and (2) a Special Power of Attorney,⁶ where he engaged the legal services of respondents and Gurbani & Co., a law firm based in Singapore, and agreed to pay attorney’s fees of 35% of any recovery or settlement obtained for both.

After execution of the contract, complainant, through the efforts of respondents, was paid by his employer the following amounts: US\$60,000.00 as indemnity and US\$20,000.00 under their collective bargaining agreement. From these amounts, respondents charged complainant attorney’s fees of 35%.⁷

Respondents and Gurbani & Co. also filed a tort case against the owners of “Panos G” before the High Court of Singapore (Singapore case). For this case, respondents engaged the services of Papadopoulos, Lycourgos & Co., a law firm based in Cyprus, to draft a written opinion on the issues involving Cyprus law, among others.⁸ They also engaged the services of retired Justice Emilio Gancayco (Justice Gancayco) for his expert opinion regarding various issues raised by defendant’s lawyer and representatives.⁹ Thereafter, negotiations led to a settlement award in favor of complainant in the amount of US\$95,000.00. Gurbani & Co. remitted to respondents the amount of US\$59,608.40.¹⁰ From this amount, respondents deducted: (1) US\$5,000.00 as payment to Justice Gancayco; (2) their attorney’s fees equivalent to 35%; and (3) other expenses, leaving the net amount of US\$18,132.43 for complainant.¹¹

Respondents tendered the amount of US\$20,756.05 (representing the US\$18,132.43) to complainant, which the latter refused.¹² As complainant contested the amount comprised of the expenses and attorney’s fees deducted, the following civil actions ensued between complainant and respondents:

³ *Rollo*, pp. 31-32.

⁴ *Id.* at 354-355.

⁵ *Id.* at 21-22.

⁶ *Id.* at 23-24.

⁷ *Id.* at 8.

⁸ *Id.* at 127-141.

⁹ *Id.* at 156.

¹⁰ *Id.* at 151-152. The difference after deducting: (1) US\$8,398.33 representing the fees paid to Papadopoulos, Lycourgos & Co.; (2) US\$27,587.67 covering their fees and expenses; and (3) US\$22.50 bank charges from the US\$95,000.00; and adding US\$616.90 which is the client’s balance in his account.

¹¹ *Id.* at 35, 808.

¹² *Id.*

- (1) On September 12, 2005, respondents filed an action for preliminary mandatory injunction (Civil Case No. 05113475) before the Regional Trial Court (RTC) of Manila to compel complainant to receive the amount tendered.¹³ This case was dismissed by the RTC, and the dismissal was eventually upheld by this Court on July 7, 2008.¹⁴
- (2) On September 22, 2005, complainant filed with the RTC of Ligao City an action for accounting, remittance of settlement amounts and damages (Civil Case No. 2401 or accounting case).¹⁵ On June 16, 2011, the RTC ruled in favor of complainant and ordered respondents to make proper accounting, among others.¹⁶ Although the RTC upheld the stipulated attorney's fees as binding between the parties, it determined that the fees are lumped for both respondents and Gurbani & Co.¹⁷ On appeal, the CA affirmed the RTC's Decision but reduced the rate of attorney's fees to 10%.¹⁸ This Court affirmed the CA Decision in our Resolution dated February 20, 2013 in G.R. No. 205088. An Entry of Judgment was issued on August 8, 2013.

On March 28, 2007, complainant also filed the subject letter-complaint¹⁹ with the Integrated Bar of the Philippines (IBP) Commission on Bar Discipline (CBD). He requested that an investigation be conducted and

¹³ *Rollo*, pp. 37, 104, 337-338.

¹⁴ *Id.* at 449-450.

¹⁵ *Id.* at 4-20, 492.

¹⁶ *Id.* at 492-507. The dispositive portion of the Decision reads:

Wherefore, above premises considered, defendant law office through Atty. Pedro Linsangan, is hereby directed to:

a) make a proper accounting, within five (5) days from receipt hereof, regardless of whether it will move for a reconsideration or file an appeal, of all the funds it received, inclusive of the funds deducted by its Singapore collaborating counsel, on behalf of plaintiff;

b) refund to plaintiff the equivalent amount of 35% it deducted from plaintiff's POEA-standard US\$60,000.00 indemnity;

c) revert back to plaintiff the excess funds insofar as the US\$95,000.00 is concerned that will result from subtracting first all the litigation expenses incurred in connection with plaintiff's tort claim in Singapore, and from the resulting amount to deduct their (Linsangan and Gurbani) 35% attorney's fees;

d) pay the amount of P100,000.00 as moral damages to plaintiff;

e) pay the amount of P100,000.00 as exemplary damages to plaintiff;

f) pay the amount of P50,000.00 as attorney's fees to plaintiff;

g) immediately release the amount of US\$20,756.05, inclusive of interest as mandated by the Fifth Division of the Court of Appeals to plaintiff which was the subject of this Court's Order dated March 16, 2010, within five days from receipt hereof;

h) pay the interest rate of 6% per annum from June 2005 of the total amount that will be refunded, by virtue of this decision, to plaintiff. After this decision attains finality, the legal interest shall be at 12% per annum, until fully paid. x x x. *Id.* at 506-507. (Emphasis omitted.)

¹⁷ *Id.* at 497.

¹⁸ *Id.* at 856-871; Docketed as CA-G.R. CV No. 97674. The dispositive portion of which states:

WHEREFORE, premises considered, the appeal is **DISMISSED** and the Decision dated June 16, 2011 of the Regional Trial Court of Legazpi City is hereby **AFFIRMED** with **MODIFICATION** that the award of attorney's fees shall be ten percent (10%) of the total monetary award to appellee Jerry M. Palencia.

SO ORDERED. *Id.* at 870. (Emphasis in the original.)

¹⁹ *Supra* note 1.

the corresponding disciplinary action be imposed upon respondents for committing the following unethical acts: (1) refusing to remit the amount collected in the Singapore case worth US\$95,000.00, and in offering only US\$20,756.05; (2) depositing complainant's money into their own account; and (3) engaging in "ambulance chasing" by deploying their agents to convince complainant to hire respondents' services while the former was still bedridden in the hospital.

In their answer,²⁰ respondents explained that complainant retained respondents and Gurbani & Co.'s services in 2004 for purposes of filing a claim against the ship owner, its agents and principals. This led to the filing of a claim before the Singapore High Court. They averred that on April 29, 2005, Gurbani & Co. advised respondents of the settlement of the claim in Singapore for US\$95,000.00.²¹ On June 20, 2005, respondents sent a letter to complainant informing him that they already received the settlement amount and requested him to come to the former's office to get his net share.²² Complainant went to respondents' law office on June 28, 2005 where respondents tendered to the former his net share of US\$20,756.05.²³ However, complainant unjustly refused to accept the amount. Complainant also refused their tender of payment in their letter dated August 3, 2005.²⁴ On September 12, 2005, respondents even filed a "consignation case" (Civil Case No. 05113475) before the RTC of Manila.²⁵

Respondents denied that they deposited the amount to their own account. They claimed that the amount of US\$20,756.05 has been placed for safekeeping in a vault located inside their office ever since.²⁶ On May 3, 2007, after their receipt of the complaint and the IBP-CBD's Order dated April 3, 2007, they decided to deposit the money with Bank of the Philippine Islands in an interest savings account, in trust for complainant.²⁷

As to the allegations of ambulance chasing, respondents averred that they provide free legal advice to the public. It was in the course of this public service when they met complainant.²⁸

After proceedings, the IBP-CBD in its Report and Recommendation²⁹ ruled that respondents violated the canons of the Code of Professional Responsibility (CPR): (1) in soliciting legal business through their agents while complainant was in the hospital; (2) in failing to account for, and deliver the funds and property of his client when due or upon demand; and (3) in hiring the services of a foreign law firm and another lawyer without

²⁰ *Rollo*, pp. 31-44.

²¹ *Id.* at 32-33.

²² *Id.* at 34.

²³ *Id.* at 34-35.

²⁴ *Id.* at 36, 161-162.

²⁵ *Id.* at 37.

²⁶ *Id.* at 39.

²⁷ *Id.*

²⁸ *Rollo*, p. 360.

²⁹ *Id.* at 805-817.

prior knowledge and consent of complainant of the fees and expenses to be incurred.³⁰ The IBP-CBD found that all three respondents connived and thus recommended that all respondents be suspended from the practice of law for a period of one year. It also directed respondents to comply with the Decision in the accounting case (Civil Case No. 2401) in favor of complainant.³¹

The IBP Board of Governors adopted the Report and Recommendation.³² After respondents' motion for reconsideration³³ and complainant's opposition³⁴ thereto, the IBP Board of Governors modified the penalty and increased respondents' suspension from the practice of law to two years with warning, and ordered respondents to return the 5% of the amount assessed to complainant as attorney's fees.³⁵

We adopt the findings of the IBP on the unethical conduct of respondents Attys. Pedro L. Linsangan and, Gerard M. Linsangan. We, however, absolve respondent Atty. Glenda M. Linsangan-Binoya for lack of any evidence as to her participation in the acts complained of.

I

The practice of law is a profession and not a business.³⁶ Lawyers are reminded to avoid at all times any act that would tend to lessen the confidence of the public in the legal profession as a noble calling, including, among others, the manner by which he makes known his legal services. ¶

³⁰ *Id.* at 810-815.

³¹ *Id.* at 815-816.

³² *Id.* at 804. The IBP Board of Governors passed Resolution No. XX-2013-257 dated March 20, 2013, which states:

*RESOLVED to ADOPT and APPROVE, as it is hereby unanimously ADOPTED and APPROVED, with modification, the Report and Recommendation of the Investigating Commissioner in the above-entitled case, x x x and finding the recommendation fully supported by the evidence on record and the applicable laws and rules and considering that Respondents violated Rule 2.04, Canon 2; Rule 15.05, Canon 15; Rule 16.03, Canon 16; Canon 17 and Rule 18.01, Canon 18 of the Code of Professional Responsibility, Attys. Pedro L. Linsangan, Gerard M. Linsangan and Glenda Linsangan-Binoya are hereby **SUSPENDED from the practice of law for one (1) year with Warning** to be circumspect in his dealing and repetition of the same conduct shall be dealt with more severely and **Ordered to Return the 5% of the amount assessed to complainant.** (Emphasis and italics in the original.)*

³³ *Id.* at 818-855.

³⁴ *Id.* at 1011.

³⁵ *Id.* at 1023. The IBP Board of Governors passed Resolution No. XXI-2014-195 dated March 23, 2014, which states:

*RESOLVED to DENY Respondents' Motion for Partial Reconsideration, there being no cogent reason to reverse the findings of the Commission and it being a mere reiteration of the matters which had already been threshed out and taken into consideration. Further, in view of Respondents' gross violation of Rule 16.03, Canon 16 and Canon 17 of the Code of Professional Responsibility, Resolution No. XX-2013-257 dated March 20, 2013 is hereby **AFFIRMED, with modification, and accordingly Atty. Pedro L. Linsangan, Atty. Gerard M. Linsangan and Atty. Glenda Linsangan-Binoya SUSPENDED from the practice of law for two (2) years with Warning** to be circumspect in their dealings and repetition of the same conduct shall be dealt with more severely and **Ordered to Return the 5% of the amount assessed to complainant.** (Emphasis and italics in the original.)*

³⁶ *Linsangan v. Tolentino*, A.C. No. 6672, September 4, 2009, 598 SCRA 133, 138-139.

A lawyer in making known his legal services must do so in a dignified manner.³⁷ They are prohibited from soliciting cases for the purpose of gain, either personally or through paid agents or brokers.³⁸ The CPR explicitly states that “[a] lawyer shall not do or permit to be done any act designed primarily to solicit legal business.”³⁹ Corollary to this duty is for lawyers not to encourage any suit or proceeding for any corrupt motive or interest.⁴⁰ Thus, “ambulance chasing,” or the solicitation of almost any kind of business by an attorney, personally or through an agent, in order to gain employment, is proscribed.⁴¹

Here, there is sufficient evidence to show that respondents violated these rules. No less than their former paralegal Jesheryl admitted that respondent Atty. Pedro Linsangan came with her and another paralegal named Moises, to Manila Doctors Hospital several times to convince complainant to hire their services.⁴² This is a far cry from respondents’ claim that they were merely providing free legal advice to the public. Moreover, while respondents deny Jesheryl’s connection with their law firm, this was sufficiently rebutted by complainant when he presented Jesheryl’s resignation letter as received by respondents’ firm.⁴³ In employing paralegals to encourage complainant to file a lawsuit against his employers, respondents indirectly solicited legal business and encouraged the filing of suit. These constitute malpractice⁴⁴ which calls for the exercise of the court’s disciplinary powers and warrants serious sanctions.⁴⁵

II

The relationship between a lawyer and his client is highly fiduciary.⁴⁶ This relationship holds a lawyer to a great degree of fidelity and good faith especially in handling money or property of his clients.⁴⁷ Thus, Canon 16 and its rules remind a lawyer to: (1) hold in trust all moneys and properties

³⁷ CODE OF PROFESSIONAL RESPONSIBILITY, Canon 3 states:

CANON 3 – A lawyer in making known his legal services shall use only true, honest, fair, *dignified* and objective information or statement of facts. (Italics supplied.)

³⁸ *Linsangan v. Tolentino*, *supra* note 36 at 139, citing Rule 138, Section 27 of the Rules of Court, which in turn provides:

Disbarment or suspension of attorneys by Supreme Court; grounds therefor. – A member of the bar may be disbarred or suspended from his office as attorney by the Supreme Court for any deceit, malpractice, or other gross misconduct in such office, grossly immoral conduct, or by reason of his conviction of a crime involving moral turpitude, or for any violation of the oath which he is required to take before admission to practice, or for a willful disobedience of any lawful order of a superior court, or for corruptly or willfully appearing as an attorney for a party to a case without authority so to do. The practice of soliciting cases at law for the purpose of gain, either personally or through paid agents or brokers, constitutes malpractice.

³⁹ CODE OF PROFESSIONAL RESPONSIBILITY, Rule 2.03.

⁴⁰ CODE OF PROFESSIONAL RESPONSIBILITY, Rule 1.03 states:

A lawyer shall not, for any corrupt motive or interest, encourage any suit or proceeding or delay any man’s cause.

⁴¹ *Linsangan v. Tolentino*, *supra* note 36 at 139.

⁴² *Rollo*, pp. 354-355.

⁴³ *Id.* at 523.

⁴⁴ *Linsangan v. Tolentino*, *supra* note 36 at 139.

⁴⁵ *Id.* at 142.

⁴⁶ *Bayonla v. Reyes*, A.C. No. 4808, November 22, 2011, 660 SCRA 490, 499.

⁴⁷ *Id.*

of his client that may come into his possession;⁴⁸ (2) deliver the funds and property of his client when due or upon demand subject to his retaining lien;⁴⁹ and (3) account for all money or property collected or received for or from his client.⁵⁰

Money collected by a lawyer on a judgment rendered in favor of his client constitutes trust funds and must be immediately paid over to the client.⁵¹ As he holds such funds as agent or trustee, his failure to pay or deliver the same to the client after demand constitutes conversion.⁵² Thus, whenever a lawyer collects money as a result of a favorable judgment, he must promptly report and account the money collected to his client.⁵³

It is the lawyer's duty to give a prompt and accurate account to his client. Upon the collection or receipt of property or funds for the benefit of the client, his duty is to notify the client promptly and, absent a contrary understanding, pay or remit the same to the client, less only *proper fees* and disbursements, as soon as reasonably possible.⁵⁴ He is under absolute duty to give his client a full, detailed, and *accurate account* of all money and property which has been received and handled by him, and must justify all transactions and dealings concerning them.⁵⁵ And while he is in possession of the client's funds, he should not commingle it with his private property or use it for his personal purposes without his client's consent.⁵⁶

Here, respondents claim that they promptly accounted for the total award of US\$95,000.00, and after deducting their fees, tendered the amount of US\$20,756.05. Complainant, however, refused to accept the amount because he contested both the expenses and the separate deduction of attorney's fees by respondents and Gurbani & Co.

We find that while respondents gave prompt notice to complainant of their receipt of money collected in the latter's favor, they were amiss in their duties to give accurate accounting of the amounts due to complainant, and to return the money due to client upon demand.

The Attorney-Client Contract between the parties states: "We/I hereby voluntarily agree and bind ourselves, our heirs and assigns to pay Atty. 7

⁴⁸ CODE OF PROFESSIONAL RESPONSIBILITY, Canon 16.

⁴⁹ CODE OF PROFESSIONAL RESPONSIBILITY, Rule 16.03 states:

A lawyer shall deliver the funds and property of his client when due or upon demand. However, he shall have a lien over the funds and may apply so much thereof as may be necessary to satisfy his lawful fees and disbursements, giving notice promptly thereafter to his client. He shall also have a lien to the same extent on all judgments and executions he has secured for his client as provided for in the Rules of Court.

⁵⁰ CODE OF PROFESSIONAL RESPONSIBILITY, Rule 16.01 states:

A lawyer shall account for all money or property collected or received for or from the client.

⁵¹ *Rayos v. Hernandez*, G.R. No. 169079, February 12, 2007, 515 SCRA 517, 525.

⁵² 7A CJS § 247, p. 452. Citation omitted.

⁵³ *Bayonla v. Reyes*, *supra* note 46 at 498-499.

⁵⁴ 7A CJS § 247, p. 451. Citation omitted.

⁵⁵ *Id.* Italics supplied, citations omitted.

⁵⁶ *Camino v. Pasagui*, A.C. No. 11095, September 20, 2016, 803 SCRA 404, 415.

Pedro L. Linsangan and his collaborating Singapore counsels, the sum equivalent to thirty-five [35%] percent of any recovery or settlement obtained.”⁵⁷ Clearly, the stipulated rate referred to the combined professional fees of both respondents and their collaborating Singapore counsel, Gurbani & Co.⁵⁸ Nevertheless, respondents proceeded to deduct separate fees on top of the amount already deducted by Gurbani & Co. Complainant contested this deduction and refused to accept the amount being tendered by respondents. Since a claim for attorney’s fees may be asserted either in the very action in which the services of a lawyer had been rendered, or in a separate action,⁵⁹ respondents, instead of forcibly deducting their share, should have moved for the judicial determination and collection of their attorney’s fees. The fact alone that a lawyer has a lien for his attorney’s fees on money in his hands collected for his client does not entitle him to unilaterally appropriate his client’s money for himself.⁶⁰

Worse, respondents allegedly kept the money inside the firm’s vault for two years until they were made aware of the disciplinary complaint against them before the IBP-CBD. However, as noted by the IBP-CBD in its Report and Recommendation:

[T]he defense of respondents that they kept in their office vault the share of complainant as computed by them in the amount of US\$18,132.43, hence, they forgot the same and remembered it only when they received the Order of this Commission for them to file an Answer to complainant’s Complaint [*which is more than 2 years*] is rather highly incredible considering that it involves a substantial amount, the series of communications between the parties, and the Civil cases subsequently filed.⁶¹ (Italics in the original.)

Even if we give credence to this explanation, it is improper for the lawyer to put his client’s funds in his personal safe deposit vault.⁶² Funds belonging to the client should be deposited in a separate trust account in a bank or trust company of good repute for safekeeping.⁶³

It is apparent from the foregoing that respondents failed to handle their client’s money with great degree of fidelity. Respondents also showed their lack of good faith when they appropriated for themselves more than what is allowed under their contract. They have demonstrated that the payment of their attorney’s fees is more important than their fiduciary and faithful duty of accounting and returning what is rightfully due to their client. More, they also failed to observe proper safekeeping of their client’s

⁵⁷ *Rollo*, p. 21.

⁵⁸ *Id.*

⁵⁹ See *Aquino v. Casabar*, G.R. No. 191470, January 26, 2015, 748 SCRA 181, 191-193, citing *Traders Royal Bank Employees Union-Independent v. NLRC*, G.R. No. 120592, March 14, 1997, 269 SCRA 733, 741-742.

⁶⁰ *Rayos v. Hernandez*, *supra* note 51 at 526.

⁶¹ *Rollo*, p. 814.

⁶² 7A CJS § 250, p. 455. Citation omitted.

⁶³ *Id.*

money. Respondents violated the trust reposed in them, and demonstrated their lack of integrity and moral soundness.⁶⁴ Respondents' flagrant and malicious refusal to comply with the CPR amounts to gross misconduct.⁶⁵ This warrants the imposition of disciplinary sanctions.⁶⁶

III

The practice of law is a profession, a form of public trust, the performance of which is entrusted to those who are qualified and who possess good moral character.⁶⁷ Thus, the violation of the lawyer's oath and/or breach of the ethics of the legal profession embodied in the CPR may, depending on the exercise of sound judicial discretion based on the surrounding facts, result in the suspension or disbarment of a member of the Bar.⁶⁸

While we find respondents Attys. Pedro Linsangan and Gerard Linsangan to have violated Rule 1.03, Rule 2.03, Canon 3, Canon 16, Rule 16.01, and Rule 16.03 of the CPR, the records do not support respondent Atty. Glenda Linsangan-Binoya's participation in their unethical activities. Complainant himself admits that he only dealt with respondents Attys. Pedro and Gerard Linsangan.⁶⁹ Thus, we hold that the case against Atty. Glenda Linsangan-Binoya be dismissed.

For his violation of the proscription on ambulance chasing, we have previously imposed the penalty of suspension of one year.⁷⁰ We find no reason not to impose the same penalty here.

On the other hand, the penalty for violation of Canon 16 of the CPR usually ranges from suspension for six months, to suspension for one year, or two years, and even disbarment depending on the amount involved and the severity of the lawyer's misconduct.⁷¹ In addition, the penalty for gross misconduct consisting in the failure or refusal, despite demand, of a lawyer to account for and to return money or property belonging to a client has been suspension from the practice of law for two years.⁷² Complainant, who was impaired for life, was constrained to file this complaint and the action for accounting because of his lawyers' lack of fidelity and good faith in handling the award he received. We recognize, however, respondents' efforts in tendering payment, albeit of an improper amount, to complainant, as well as the fact that this is their first offense. The imposition of a one year suspension is sufficient under the circumstances.⁷³

⁶⁴ *Villanueva v. Gonzales*, A.C. No. 7657, February 12, 2008, 544 SCRA 410, 416.

⁶⁵ See *Viray v. Sanicas*, A.C. No. 7337, September 29, 2014, 736 SCRA 557, 565.

⁶⁶ *Id.*

⁶⁷ *Sison, Jr. v. Camacho*, A.C. No. 10910, January 12, 2016, 779 SCRA 142, 155.

⁶⁸ *Id.*

⁶⁹ *Rollo*, p. 587.

⁷⁰ *Linsangan v. Tolentino*, *supra* note 36 at 143.

⁷¹ *Cerdan v. Gomez*, A.C. No. 9154, March 19, 2012, 668 SCRA 394, 404.

⁷² *Viray v. Sanicas*, *supra*.

⁷³ *Id.*

This penalty of one year suspension for the second infraction is justified, and does not deserve a further reduction. The fact that it is respondents' first administrative case cannot serve to mitigate the penalty. In *Cerdan v. Gomez*,⁷⁴ respondent there was still suspended for a period of one year, after already taking into account that it was his first offense. More, there are several decisions which support the imposition of the one year suspension for similar violations.⁷⁵ In *Viray v. Sanicas*,⁷⁶ the court imposed a one year penalty for the same infraction even after exercising its "compassionate judicial discretion."⁷⁷

More importantly, respondents' acts do not merely constitute a violation of Canon 16 and its rules, but already amounts to gross misconduct.⁷⁸ *First*, respondents breached the trust reposed in them when they betrayed the express language of their Attorney-Client Contract that they are only entitled to a single 35% attorney's fees together with the Singapore counsels. In the process, respondents have also unjustly retained for themselves the 35% of the settlement award amounting to US\$95,000.00—which is more or less US\$33,250.00 or roughly around ₱1.5 million pocketed, and also immensely disparaging to the US\$20,756.05 they tendered to complainant. *Second*, their actions following complainant's objection manifests their disregard of their fiduciary duties. For two years, respondents insisted on, and forcibly deducted the amount when there are alternative avenues to determine the correct amount of attorney's fees. They instead treaded to a path where they advanced their own interests ahead of their client's. *Third*, respondents also mishandled their client's money when they did not exercise proper safekeeping over it; they failed to deposit it in a separate trust account in a bank or trust company of good repute for safekeeping but co-mingled it with their own funds. Undoubtedly, the gravity of these acts amounts to gross misconduct that warrants, at the very least, a suspension.⁷⁹

For both violations, we adopt the recommendation of the IBP Board of Governors of the imposition of two-year suspension for respondents Attys. Pedro L. Linsangan and Gerard M. Linsangan. We emphasize that this penalty of two years of suspension corresponds to the compounded infractions of the violations of Rule 1.03, Rule 2.03, Canon 3, Canon 16, Rule 16.01, and Rule 16.03 of the CPR: (1) the penalty of suspension of one year is imposed for the violation of the proscription on ambulance chasing; and (2) the penalty of one year suspension for gross misconduct consisting in the failure or refusal, despite demand, of a lawyer to account for and to return money or property belonging to a client.

⁷⁴ *Supra* note 71.

⁷⁵ See *Isalos v. Cristal*, A.C. No. 11822, November 22, 2017; *Viray v. Sanicas*, *supra* note 65; *Segovia-Ribaya v. Lawsin*, A.C. No. 7965, November 13, 2013, 709 SCRA 287; *Cunanan v. Rimorin*, A.C. No. 5315, August 23, 2000, 338 SCRA 546.

⁷⁶ *Supra* note 65.

⁷⁷ *Id.* at 565.

⁷⁸ *Id.*

⁷⁹ *Id.*

To reiterate, there is no basis, and would even be unjust under the circumstances, to reduce the penalty imposed on respondents. Quite the contrary, respondents should find themselves so fortunate that for all their exploits, including their ambulance chasing, this Court would only impose a two-year suspension.

Finally, we note that this Court, in G.R. No. 205088, has already affirmed the CA's ruling as to the issue of how much respondents can collect from complainant as attorney's fees. This judgment has long attained finality and, in fact, appears to be set for execution. For this reason, we do not adopt the IBP Board of Governors' recommendation for respondents to return to complainant 5% of the amount assessed. The principle of immutability of judgments behooves us from making any further statements on this particular issue

WHEREFORE, we find respondents Attys. Pedro L. Linsangan and Gerard M. Linsangan **GUILTY**. Accordingly, we **SUSPEND** respondents Attys. Pedro Linsangan and Gerard Linsangan from the practice of law for **TWO YEARS** effective upon finality of this Decision, with a **WARNING** that a repetition of the same or similar act in the future will be dealt with more severely. The complaint against Atty. Glenda M. Linsangan-Binoya is **DISMISSED**.

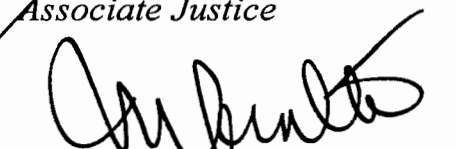
SO ORDERED.




ANTONIO T. CARPIO
Senior Associate Justice

Please see Dissenting Opinion
PRESBITERO J. VELASCO, JR.
Associate Justice

Teresita Leonardo de Castro
TERESITA J. LEONARDO-DE CASTRO
Associate Justice



DIOSDADO M. PERALTA
Associate Justice



LUCAS P. BERSAMIN
Associate Justice



MARIANO C. DEL CASTILLO
Associate Justice



ESTELA M. PERLAS-BERNABE
Associate Justice

(On Official Business)

MARVIC M. V. F. LEONEN
Associate Justice

ALFREDO BENJAMIN S. CAGUIOA
Associate Justice

NOEL GIMENEZ TIJAM
Associate Justice

ALEXANDER G. GESMUNDO
Associate Justice

FRANCIS H. JARDELEZA
Associate Justice

SAMUEL R. MARTIRES
Associate Justice

ANDRES B. REYES, JR.
Associate Justice

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EDGAR O. ARICHETA
Clerk of Court En Banc
Supreme Court