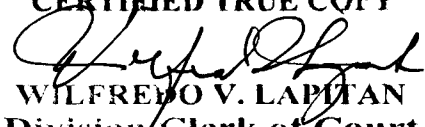




Republic of the Philippines
 Supreme Court
 Manila

CERTIFIED TRUE COPY

 WILFREDO V. LAPID
 Division Clerk of Court
 Third Division

JUL 05 2019

THIRD DIVISION

PAZ C. SANIDAD,
 Complainant,

A.C. No. 9838

- versus -

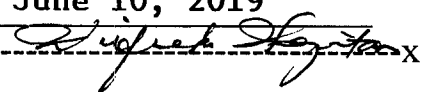
Present:

PERALTA, J., *Chairperson,*
 LEONEN,
 REYES, A., JR.,
 HERNANDO, and
 INTING, JJ.

**ATTY. JOSEPH JOHN GERALD M.
 AGUAS,**
 Respondent.

Promulgated:

June 10, 2019

x-----
 x

DECISION

PERALTA, J.:

Before us is a Complaint for Disbarment¹ dated December 8, 2012, filed by complainant Paz C. Sanidad (*Sanidad*) against respondent Atty. Joseph John Gerald M. Aguas (*respondent*) for dishonesty, grossly deceitful conduct, malpractice, and violation of the Code of Professional Responsibility (*CPR*).

The antecedent facts are as follows:

Sometime in 2001, Sanidad alleged that she and respondent, together with the latter's brother, Julius M. Aguas (*Julius*), entered into a verbal agreement for the sale of the co-owned subject property of the latter located at No. 2 Gonzales Drive, Doña Pilar Subdivision, Batasan Hills, Quezon City. They agreed that the subject property will be sold for ₱1,500,000.00 and to be paid in installments. Sanidad averred that she has been residing in the said subject property since 1983.

¹ Rollo, pp. 1-8.



Thus, from 2001 to 2011, Sanidad claimed that she has made several payments to respondent and Julius by depositing in their BPI bank accounts. Sanidad also alleged that while she has been depositing payments in their bank accounts, no acknowledgment receipt was ever issued to her. She, however, maintained that she has deposited a total payment of One Million One Hundred Fifty-Two Thousand Pesos (₱1,152,000.00) on respondent's and Julius's BPI bank accounts, as evidenced by the deposit slips as proof of payments, to wit:

- (1) February 15, 2001 – Forty Thousand Pesos (P40,000.00);²
- (2) May 8, 2001 – Thirty Thousand Pesos (P30,000.00);³
- (3) May 15, 2001 – Twenty Thousand Pesos (P20,000.00);⁴
- (4) June 1, 2001 – Fifty Thousand Pesos (P50,000.00);⁵
- (5) August 1, 2001 – Ninety Thousand Pesos (P90,000.00);⁶
- (6) Undated deposit of Forty-Five Thousand Pesos (P45,000.00);⁷
- (7) April 5, 2002 – Five Hundred Thousand Pesos (P500,000.00);⁸
- (8) October 7, 2010 – Seventy-Five Thousand Pesos (P75,000.00);⁹
- (9) October 14, 2010 - Seventy-Five Thousand Pesos (P75,000.00);¹⁰
- (10) August 5, 2011 – Two Hundred Two Thousand Pesos (P202,000.00)¹¹

However, Sanidad lamented that respondent took advantage of his legal knowledge as a lawyer and employed several tactics to defraud her. She claimed that respondent, after receiving the total amount of ₱1,152,000.00 from her, sent her demand letters and threatened her with eviction.¹² She added that after she deposited her payments in respondent's bank account, the latter also avoided meeting her and became unreachable. Sanidad averred that she would receive telephone calls from him pressuring her to immediately vacate the property or she will be evicted.

Feeling aggrieved, Sanidad filed the instant disbarment complaint against respondent.

In a Resolution¹³ dated June 19, 2013, the Court required respondent to comment on the allegations against him.

² Annex "A," *id.* at 4.

³ Annex "A-1," *id.*

⁴ Annex "A-2," *id.* at 5.

⁵ Annex "A-3," *id.*

⁶ Annex "A-4," *id.* at 6.

⁷ Complainant alleged that she made the deposit amounting to ₱45,000.00 on Atty. Aguas' BPI account albeit the deposit slip was misplaced.

⁸ Annex "A-5," *rollo*, p. 6.

⁹ Annex "A-6," *id.* at 7.

¹⁰ Annex "A-7," *id.*

¹¹ Annex "A-8," *id.* at 8.

¹² *Rollo*, pp. 9, 43, 44.

¹³ *Id.* at 10.

In his Comment¹⁴ dated August 13, 2013, respondent alleged that Sanidad's allegations are bereft of factual basis. He averred that Sanidad has been a tenant of the subject property since 1980 whose lease had long lapsed and is facing eviction for non-payment of rentals. He further asserted that Sanidad's occupation of the subject property was by mere tolerance, and because her eviction from the subject property was imminent, she allegedly fabricated lies against him.

Respondent also claimed that the instant disbarment case, along with a civil and criminal complaint against him and his brother, to wit: (1) Action for Specific Performance and Damages, docketed as Civil Case No. Q-1271807, entitled *Paz C. Sanidad v. Atty. Joseph M. Aguas and Julius Aguas*, filed on August 17, 2012 before the Regional Trial Court of Quezon City, Branch 224; and (2) Complaint for Estafa docketed as XV-03-13B-01953 filed on February 14, 2013 before the City Prosecutor of Quezon City, were all meant to merely harass him.

Respondent further explained that from 2001 until October 2010, Sanidad merely paid ₱5,468.75 as rentals. He claimed that it was only in 2010 that they agreed on the sale of the subject property for an amount of One Million Five Hundred Thousand Pesos (₱1,500,000.00) but Sanidad failed to pay the said amount, thus, she was given an eviction notice. Respondent maintained that all of Sanidad's payments made between 2001 to 2010 were just payment for the rental of the subject property.

On December 11, 2013, the Court resolved to refer the instant case to the Integrated Bar of the Philippines for investigation, report and recommendation.¹⁵

In compliance, the Integrated Bar of the Philippines-Commission on Bar Discipline (*IBP-CBD*) issued a Notice of Mandatory Conference¹⁶ dated May 19, 2014 which required the parties to appear on June 23, 2014 and submit their respective mandatory conference briefs.

On June 23, 2014, the mandatory conference was conducted but only Atty. Manuel N. Camacho who is representing Sanidad appeared.

In his Conference Brief dated July 18, 2014, respondent, however, manifested that he and Sanidad mutually agreed to amicably settle which resulted to the dismissal of the civil case which the latter filed against him. He added that he had already turned over the title of the subject property to

¹⁴ *Id.* at 11-15.

¹⁵ *Id.* at 59.

¹⁶ *Id.* at 61.



Sanidad even without receiving a single centavo as payment. He submitted a photocopy of the acknowledgment receipt signed by Sanidad's counsel which showed that the latter already received the (1) absolute deed of sale of the subject real property; (2) motion to withdraw IBP case (*Aguas v. Camacho*); (3) Compromise Agreement with Joint Motion to Dismiss (Br. 224, RTC QC) and (4) the Owner's Duplicate Certificate of Transfer Certificate of Title No. 48029. However, respondent lamented that while he agreed to amicably settle because he was of the understanding that all the cases filed against him would be dismissed, only the civil case was dismissed. Finally, respondent maintained that he did not abuse or took advantage of his position as a lawyer in his dealings with complainant.

In its Report and Recommendation dated June 15, 2015, the IBP-CBD found respondent to have indeed used his legal knowledge to defraud and mislead Sanidad by sending her demand letters to vacate the subject property despite the sale of the same and payments made to him. The IBP-CBD recommended that respondent be given a warning that any repetition of the same will be dealt with severely.

In a Resolution¹⁷ dated June 20, 2015, the Board of Governors of the IBP, however, reversed and set aside the report and recommendation of the IBP-CBD and instead, recommended that respondent be admonished with a warning that repetition of similar act shall be dealt with more severely.

RULING

In administrative proceedings, the complainant has the burden of proving, by substantial evidence, the allegations in the complaint. Substantial evidence has been defined as such relevant evidence as a reasonable mind might accept as adequate to support a conclusion. For the Court to exercise its disciplinary powers, the case against the respondent must be established by clear, convincing and satisfactory proof.¹⁸

In the instant case, We find that the charges of Sanidad against respondent to be worthy of belief based on the following:

First, we find substantial evidence that Sanidad indeed entered into a contract of sale, *albeit* verbal, with respondent by showing proof of payments made to the latter. She presented copies of bank deposit slips as evidence that she has been depositing her payments for the sale of the subject property under the BPI bank accounts of respondent and Julius;

¹⁷ *Id.* at 81-82.

¹⁸ *Ferancullo v. Ferancullo*, 538 Phil. 501, 511 (2006).



Second, as observed by the IBP, respondent's allegations that the payments were for rentals and his denial of the existence of the contract of sale between him and Sanidad fail to convince considering that the amounts of deposits made by Sanidad in respondent's and Julius's bank account were too substantial to be regarded as payments of rentals.

Third, respondent's allegation that it was only on August 17, 2010 when he entered into a contract of sale of the subject real property with Sanidad which allegedly the latter was not able to pay for, is hard to believe considering that the deposit of substantial amounts in his account and Julius's began as early as 2001;

Fourth, despite the receipt of payments from Sanidad, respondent apparently used his legal knowledge when he sent a demand letter dated April 10, 2012 to vacate the subject property;

Finally, but equally important, we note that while respondent denied that he entered into a contract of sale with Sanidad, records show that he eventually decided to turn over the title of the subject property to Sanidad based on a settlement agreement that the cases filed against him will be withdrawn. Clearly, this act of respondent is inconsistent with his claim that Sanidad's payments were for rentals, and that no payment was actually made for the sale of the property.

Rule 1.0, Canon 1 of the CPR, provides that "[a] lawyer shall not engage in unlawful, dishonest, immoral or deceitful conduct." It is well established that a lawyer's conduct is "not confined to the performance of his professional duties. A lawyer may be disciplined for misconduct committed either in his professional or private capacity. The test is whether his conduct shows him to be wanting in moral character, honesty, probity, and good demeanor, or whether it renders him unworthy to continue as an officer of the court."¹⁹

Any act or omission that is contrary to, or prohibited or unauthorized by, or in defiance of, disobedient to, or disregards the law is "unlawful." "Unlawful" conduct does not necessarily imply the element of criminality although the concept is broad enough to include such element. *To be "dishonest" means the disposition to lie, cheat, deceive, defraud or betray; be unworthy; lacking in integrity, honesty, probity, integrity in principle, fairness and straight forwardness* while conduct that is "deceitful" means the proclivity for fraudulent and deceptive misrepresentation, artifice or device

¹⁹ *Navarro, et al. v. Atty. Solidum, Jr.*, 725 Phil. 358, 367 (2014), citing *Roa v. Atty. Moreno*, 633 Phil. 1, 7 (2010).

that is used upon another who is ignorant of the true facts, to the prejudice and damage of the party imposed upon.²⁰

From the foregoing, we find respondent's conduct in dealing with Sanidad to be wanting in moral character, honesty, probity, and fairness. While we cannot conclude that respondent indeed entered into a verbal contract for the sale of a real property despite knowledge that said verbal contract is unenforceable due to lack of clear evidence, it is, however, apparent due to the fact that he eventually agreed to surrender the title of the subject property to Sanidad, that he has certainly entered into a contract of sale of the subject property with Sanidad for which he received payments. Why else would he turn over the subject property to Sanidad if there was neither an agreement to sell nor payments made therefor? Respondent's claim that he decided to turn over the title of the subject property to Sanidad without receiving a single centavo is outright outrageous to deserve any credibility.


Moreover, respondent never denied that he received the deposits made by Sanidad, but he never issued her any acknowledgment receipts. He claimed that Sanidad has been their tenant since 1983 yet no contract of lease was ever presented to support his claim. It, thus, appears that while respondent profited from receiving substantial amounts of moneys from Sanidad, the latter, however, holds no concrete proof that he has been actually receiving her payments. The interest of Sanidad, as buyer or lessee, as the case may be, was left fully unprotected. The lack of transparency due to respondent's failure to give acknowledgment receipts and the lack of written contracts is highly suspicious of deceit and fraud because it inevitably placed Sanidad in a rather disadvantageous position. Worse, respondent has utilized the lack of written contracts and acknowledgment receipts in threatening to evict respondent despite the apparent receipt of payments.

The Court cannot overstress the duty of a lawyer to at all times uphold the integrity and dignity of the legal profession. He can do this by faithfully performing his duties to society, to the bar, to the courts and to his clients. The ethics of the legal profession rightly enjoin lawyers to act with the highest standards of truthfulness, fair play and nobility in the course of his practice of law. A lawyer may be disciplined or suspended for any misconduct, whether in his professional or private capacity. Public confidence in the law and lawyers may be eroded by the irresponsible and improper conduct of a member of the Bar. Thus, every lawyer should act and comport himself in such a manner that would promote public confidence in the integrity of the legal profession.²¹

Clearly, respondent failed to live up to the high standard of morality, honesty, integrity, and fair dealing required of him as a member of the legal

²⁰ *Jimenez v. Atty. Francisco*, 749 Phil. 551, 565-566 (2014). (Emphasis ours)

²¹ *Rivera v. Atty. Corral*, 433 Phil. 331, 341-342 (2002).




profession. Instead, he employed his knowledge and skill of the law and took advantage of Sanidad to secure undue gains for himself.

In *Guillen v. Atty. Arnado*,²² Atty. Arnado was suspended from the practice of law for a period of one (1) year for employing his knowledge and skill of the law to secure undue gains for himself and to inflict serious damage on others. We, thus, modify the recommendation of the IBP Board of Governors to merely admonish respondent as We do not find the same to be commensurate with respondent's transgressions.

WHEREFORE, premises considered, We find Atty. Joseph John Gerald M. Aguas guilty of violation of Rule 1.01 of the Code of Professional Responsibility. He is hereby **SUSPENDED** from the practice of law for a period of **ONE (1) YEAR** and **STERNLY WARNED** that a repetition of the same or similar offense will be dealt with more severely.

Let a copy of this Decision be furnished to the Office of the Bar Confidant, the Integrated Bar of the Philippines, and the Office of the Court Administrator for circulation to all the courts of the country.

SO ORDERED.




DIOSDADO M. PERALTA
Associate Justice

²² A.C. No. 10547, November 8, 2017, 844 SCRA 280.

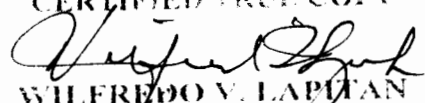
WE CONCUR:


MARVIC MARIO VICTOR F. LEONEN
Associate Justice


ANDRES B. REYES, JR.
Associate Justice


RAMON PAUL L. HERNANDO
Associate Justice


HENRI JEAN PAUL B. INTING
Associate Justice

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