



Republic of the Philippines
Supreme Court
 Manila

EN BANC

FORTUNE MEDICARE, INC.,
 represented by its President and
 Chief Operating Officer,
DOROTHEA J. SIBAL, and
ATTY. MELAN ESPELA,
 Complainants,

A.C. No. 9833

Present:

BERSAMIN, C.J.,*
CARPIO,**
PERALTA,
DEL CASTILLO,
PERLAS-BERNABE,
LEONEN,
JARDELEZA,
CAGUIOA,
REYES, A. JR.,
GESMUNDO,
REYES, J. JR.,***
HERNANDO,**
CARANDANG, and
LAZARO-JAVIER, JJ.

- versus -

ATTY. RICHARD C. LEE,
 Respondent.

Promulgated:

March 19, 2019

X ----- X

DECISION

PER CURIAM:

Subject of this Decision is the Complaint¹ dated March 20, 2013 of complainants Fortune Medicare, Inc. (Fortune), represented by its President

* On official business.

** Designated as Acting Chief Justice per Special Order No. 2644 dated March 15, 2019.

*** On leave.

¹ *Rollo*, pp. 1-25.

and Chief Operating Officer, Dorothea J. Sibal, and Atty. Melan Espela (Atty. Espela) against Atty. Richard C. Lee (respondent) for disbarment on account of violation of the Code of Professional Responsibility (CPR).

Complainants' Position

Respondent obtained a favorable decision in the illegal dismissal case he filed against Fortune — the said decision having attained finality after its dismissal by the Court of Appeals. In the execution proceedings, Labor Arbiter Fatima Franco (LA Franco) computed the monetary award of respondent in the amount of ₱3,241,181.00. Both parties disagreed with the amount and filed their respective Petitions for Extraordinary Remedy before the National Labor Relations Commission (NLRC).²

While the petitions were pending before the NLRC, LA Franco issued writs of garnishment against several bank accounts of Fortune. Wanting to end the labor dispute, Fortune negotiated for an amicable settlement with respondent. Respondent agreed to settle the case for ₱2 Million and the withdrawal of cases filed against him before the Ombudsman. In addition, the parties concurred that they jointly sign a Compromise Agreement and Urgent Motion to Dismiss Cases and for Lifting of Notice of Garnishment Upon Amicable Settlement.³

The parties agreed to meet on March 1, 2013 in LA Franco's office for the signing of pertinent documents and payment of the agreed amount. Fortune had furnished respondent in advance copies of the above-mentioned documents and a photocopy of the Manager's Check to be drawn from Banco de Oro payable to respondent. Days before the scheduled meeting, respondent insisted that he be paid in cash, to which Fortune acceded.⁴

On March 1, 2013, Fortune's counsel Atty. Espela and its Treasury Officer Rose Gahunia (Gahunia) met respondent in LA Franco's office. They noticed that respondent had a companion holding a black bag. After exchanging pleasantries, Atty. Espela handed the documents to be signed by respondent, who remarked that he would sign them after seeing the money. Gahunia gave a bundle of stacked bills to respondent with the latter confirming that it amounted to ₱2 Million. Atty. Espela asked him to sign the Compromise Agreement and the Omnibus Motion to Dismiss, but the latter refused and retorted that he will take the money as partial payment of his labor money claims.⁵

² Id. at 3.

³ Id. at 4.

⁴ Id.

⁵ Id. at 10-11.

Then, respondent signaled his two companions to enter LA Franco's office and to take the money. Atty. Espela tried to prevent him from leaving with the money, but was unable to do so as one of the latter's companions blocked him from giving chase. Still, Atty. Espela followed respondent and his companions, but when he tried to grab the money, one of respondent's companions motioned as if drawing a concealed firearm. Out of fear, Atty. Espela failed to stop respondent and his companions from leaving the premises. As a result of this untoward incident, criminal and administrative charges were filed against respondent before the City Prosecutor and the Department of Justice respectively.⁶

Respondent's Position

As a result of his victory in his illegal dismissal case against Fortune, respondent was awarded ₱3,241,181.00. On February 27, 2013, he received a text message from the NLRC Sheriff that Fortune did not have enough funds in its deposit accounts, particularly in City State Savings Bank (City State) and United Coconut Planters Bank, to satisfy the judgment award. Respondent also received information from a Fortune employee that Fortune had transferred its properties to a separate corporation. This led him to believe that Fortune had no genuine interest to pay him and that the writ of garnishment in his favor could not be executed especially considering that City State is a sister company of Fortune.⁷

Consequently, respondent had to go along with Fortune's offer to settle because he felt that if he refused, Fortune would continue to hide its assets and frustrate the execution of his judgment award. He agreed to meet in LA Franco's office to receive the ₱2 Million as partial payment — this was the reason why he wanted the payment to be in cash and not through a Manager's Check. After receiving the money, respondent gave Atty. Espela and LA Franco their respective copies of the Acknowledgment Receipt stating that the ₱2 Million was a partial payment and that Fortune had a remaining balance of ₱1,241,181.00. Thereafter, he left the NLRC premises.⁸

Instead of paying the remaining balance, Fortune filed a series of cases for robbery, administrative cases and this present complaint for disbarment to harass respondent. He denied that he robbed Fortune highlighting that the criminal case for robbery was dismissed. Respondent added that Fortune even moved to approve the Compromise Agreement and to declare the full execution of the judgment award, which LA Franco granted considering the ₱2 Million as the full and complete payment of

⁶ Id. at 12-13.

⁷ Id. at 100-102.

⁸ Id. at 102-103.

Fortune's judgment obligation. He likewise noted that he never categorically agreed to settle the labor case for ₱2 Million.⁹

In its July 15, 2013 Resolution,¹⁰ the Court referred Fortune's complaint to the Integrated Bar of the Philippines (IBP) for investigation, report and recommendation.

Report and Recommendation

In his Report and Recommendation¹¹ dated August 24, 2015, Commissioner Numeriano F. Rodriguez, Jr. (Commissioner Rodriguez) found respondent guilty of violating Canon 7 and Rule 7.03 of the CPR. He found sufficient evidence that respondent acted in a manner wanting in moral character, honesty, probity and good demeanor. Nevertheless, Commissioner Rodriguez found that disbarment is too harsh a penalty considering the circumstances and instead recommended the penalty of three years suspension. He expounded that sanctions against lawyers are not primarily intended as a punishment but as a means to protect the public and the legal profession. As to the restitution of the ₱2 Million, Commissioner Rodriguez found it untenable considering that LA Franco had approved the Compromise Agreement as valid and binding.

In its Resolution No. XXII-2015-99¹² dated November 28, 2015, the IBP Board of Governors (IBP-BOG) affirmed the findings of facts and recommended penalty of Commissioner Rodriguez. Respondent moved for reconsideration, but it was denied by the IBP-BOG in its Resolution No. XXII-2017-1144¹³ dated May 27, 2017.

Hence, this review.

The Court's Ruling

The Court agrees with the findings of the IBP-BOG, but modifies the penalty imposed.

Those granted with the special privilege of being members of the legal profession are expected to meet high standards of legal proficiency and morality such that it is their duty to conduct themselves in a manner upholding integrity and promoting the public's faith in the profession.¹⁴ Lawyers are expected to be beyond reproach in all aspects of their lives,

⁹ Id. at 103-106.

¹⁰ Id. at 95.

¹¹ Id. at 226-238.

¹² Id. at 224-225.

¹³ Id. at 289-290.

¹⁴ *Noble v. Atty. Ailes*, 762 Phl. 296, 300 (2015).

especially when dealing with their colleagues.¹⁵ This high moral standard imposed on members of the Bar is but a consequence of them being officers of the Court, after all, any thoughtless or ill-conceived actions can irreparably tarnish public confidence in the law, and consequently, those who practice it.¹⁶

Rule 1.01 of the CPR mandates that lawyers should not engage in unlawful, dishonest, immoral and deceitful conduct. To be dishonest means the disposition to lie, cheat, deceive, defraud, or betray; lacking in integrity, honesty, probity, integrity in principle, fairness and straightforwardness.¹⁷ On the other hand, deceitful conduct is one tainted with fraudulent and deceptive misrepresentation, artifice or device that is used upon another who is ignorant of the true facts, to the prejudice and damage of the latter.¹⁸

Meanwhile, Canon 7,¹⁹ in conjunction with Rule 7.03,²⁰ of the CPR requires that lawyers should conduct themselves in a manner that upholds the integrity and dignity of the profession shunning actions that would adversely reflect on their fitness to practice law. On the other hand, Canon 8²¹ of the CPR mandates that lawyers should be guided with courteousness, fairness and candor in their dealings with colleagues.

Administrative cases against lawyers are geared towards the determination whether the attorney is still a person to be allowed the privileges as such.²² The Court, in the exercise of its disciplinary powers, merely calls upon a member of the Bar to account for his actuations as an officer of the Court with the end in view of preserving the purity of the legal profession and the proper and honest administration of justice by purging the profession of members, who, by their misconduct, have proven themselves no longer worthy to be entrusted with the duties and responsibilities pertaining to the office of an attorney.²³

A review of the records of the case would show that respondent failed to meet the lofty standards required of those privileged to practice law.

In the case at bench, it is undisputed that respondent agreed to meet with Fortune representatives in LA Franco's office where the former

¹⁵ Id.

¹⁶ *Fabugais v. Atty. Faundo, Jr.*, A.C. No. 10145, June 11, 2018.

¹⁷ *Jimenez v. Atty. Francisco*, 749 Phil. 551, 565 (2014).

¹⁸ Id. at 566.

¹⁹ A lawyer shall, at all times, uphold the integrity and credibility of the legal profession, and support activities of the integrated bar.

²⁰ A lawyer shall not engage in conduct that adversely reflects on his fitness to practice law, nor shall he, whether in public or private life, behave in a scandalous manner to the discredit of the legal profession.

²¹ A lawyer shall conduct himself with courtesy, fairness and candor toward his professional colleagues, and shall avoid harassing tactics against opposing counsel.

²² *Espanto v. Atty. Belleza*, A.C. No. 10756, February 21, 2018.

²³ Id.

expected to receive ₱2 Million from the latter. However, the purpose of the payment, as well as how the payment was made, are contested. On the one hand, Fortune assailed that respondent had agreed to settle the labor case in consideration of ₱2 Million and it was caught off guard when the latter reneged on their agreement and decided to take the money without signing the Compromise Agreement and Omnibus Motion to Dismiss insisting that the amount was only a partial fulfillment of Fortune's obligation. On the other hand, respondent argued that he never categorically expressed that he agreed to the full settlement of the labor case for ₱2 Million noting that he had prepared an Acknowledgment Receipt stating that the sum was only a partial payment of the judgment award.

Based on the exchange of text communications and conversations²⁴ between Atty. Espela and respondent, it is readily apparent that the parties agreed that the ₱2 Million was for the full settlement of the judgment award. This is bolstered by the fact that prior to the meeting in LA Franco's office, Atty. Espela had sent respondent the Compromise Agreement and Omnibus Motion to Dismiss to be signed during the meeting. Thus, he should have been aware that it was the understanding of Fortune and its representatives that the ₱2 Million served as the full payment of the judgment award.

If it were true that he did not agree with the terms of the compromise, he should have informed them about it. Respondent could have easily relayed his objections as evidenced by the fact that he even insisted to be paid in cash after he was sent a photocopy of the Manager's Check. Instead, he continued to communicate with Atty. Espela under the premise that he was amenable to the ₱2 Million as compensation for the compromise.

Respondent cannot claim that there was no clear agreement that the ₱2 Million was in consideration of the full judgment award because there was nothing categorical in his phone conversations and text messages with Atty. Espela. This is belied by his admission that he was only forced to go along with Fortune's offer to settle the case so that at least his judgment award could be partially settled.

Thus, it is readily apparent that respondent was never straightforward and honest in his dealings with Fortune in arriving at a compromise. He was in constant communication with Atty. Espela and he made him believe that there was progress in the negotiations for compromise. Respondent even agreed to meet with Atty. Espela in LA Franco's office in spite of him not being amenable to the terms of the compromise. He goaded Fortune into paying him ₱2 Million without any intention of accepting any settlement for the judgment award. Respondent consciously and deliberately deceived

²⁴ *Rollo*, pp. 4-9.

Fortune because he knew from the start that the latter's representative were there to meet him to consummate the agreed compromise.

In an attempt to justify his actions, respondent shifts the blame to Fortune claiming that it had withdrawn its deposit accounts and transferred properties to another corporations in order to reduce his victory to a meaningless paper judgment. He laments that he had to go through the motions of negotiating a compromise, otherwise, he would not be able to get anything from Fortune. Respondent adds that the present complaint for disbarment is only another means for Fortune to harass and prejudice him.

Still, it does not negate the fact that respondent was intentionally dishonest when he dealt with Atty. Espela and Fortune. Instead of pursuing legal means of protecting his rights, he opted to take the law into his own hands employing deceit to get what he felt he deserved. As a member of the Bar, respondent is held to a higher standard compared to laypeople as he is duty-bound to promote the respect and observance of the law and to be a beacon of justice, fairness, honesty and integrity.

Assuming that respondent is guilty, he argued that the investigating commissioner erred in recommending a penalty of suspension for three years. He noted that the cases cited in the investigating Commissioner's report and recommendation only imposed six months suspension. Meanwhile, Fortune assailed that the penalty of suspension for three years should be increased to disbarment, reiterating that the acts committed by respondent, and the fact that he had been administratively sanctioned, justified the imposition of the highest penalty possible.

The appropriate penalty for an errant lawyer depends on sound judicial discretion based on the surrounding facts.²⁵ The Court agrees that respondent should be disbarred from the practice of law. Serious dishonesty and professional misconduct are causes for disbarment.²⁶

Here, he intentionally misled Fortune and Atty. Espela into believing that he had agreed to the Compromise Agreement. At the early stages of the negotiation, respondent was already aware that the ₱2 Million was intended to be the full satisfaction of the judgment award. He, however, allowed the meeting in LA Franco's office to take place and thereafter deviate from the agreement taking the ₱2 Million insisting that it was only a partial payment of his judgment award.

As a lawyer, respondent should have been aware that there are legal remedies available to him in order to protect his rights and to secure his

²⁵ *Spouses Concepcion v. Atty. Dela Rosa*, 752 Phil. 485, 496 (2015).

²⁶ *Brennisen v. Atty. Contawi*, 686 Phil. 342, 349 (2012), citing *Sabayle v. Tandayag*, 242 Phil. 224, 233 (1988).

judgment award from being a mere paper judgment. He, however, opted to employ deceit and chicanery to get what he believed he deserved. Such cavalier attitude of respondent shows an utter disrespect of the law and legal processes. At the same time, it fosters an environment where the rule of law is disregarded and emboldens the public to resort to extralegal means to obtain what they desire.

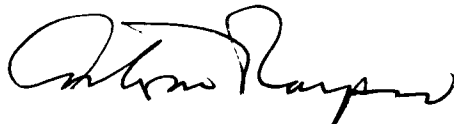
Further, it is noteworthy that respondent had been previously admonished by the Court for violating the CPR.²⁷ His deceitful and dishonest conduct in dealing with Fortune, coupled with his past indiscretions, manifest an unfitness to continue as a member of the legal profession. The penalty of suspension or disbarment is meted out in clear cases of misconduct that seriously affect the standing and character of the lawyer as an officer of the court.²⁸

WHEREFORE, respondent Atty. Richard C. Lee is found **GUILTY** of violation of Rule 1.01, Rule 7.03, Canon 7, and Canon 8 of the Code of Professional Responsibility. Accordingly, he is **DISBARRED** from the practice of law effective upon the finality of this Decision.

Let copies of this Decision be furnished the Office of the Bar Confidant to be reflected on the records of respondent; the Integrated Bar of the Philippines for distribution to all its chapters; and the Office of the Court Administrator for dissemination to all courts throughout the country.

SO ORDERED.


(On Official Business)
LUCAS P. BERSAMIN
Chief Justice



ANTONIO T. CARPIO
Acting Chief Justice



DIOSDADO M. PERALTA
Associate Justice



MARIANO C. DEL CASTILLO
Associate Justice




ESTELA M. PERLAS-BERNABE
Associate Justice

²⁷ Rollo, p. 285.

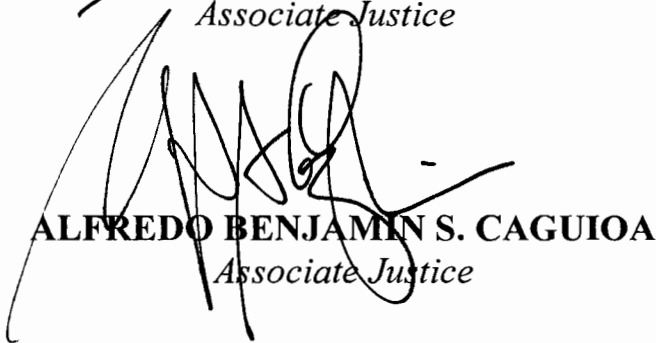
²⁸ *Sebastian v. Atty. Bajar*, 559 Phil. 211, 226 (2007).



MARVIC M.V. F. LEONEN
Associate Justice



FRANCIS H. JARDELEZA
Associate Justice



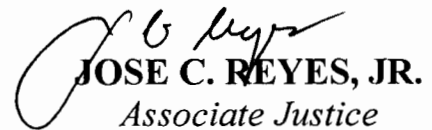
ALFREDO BENJAMIN S. CAGUIOA
Associate Justice



ANDRES B. REYES, JR.
Associate Justice



ALEXANDER G. GESMUNDO
Associate Justice

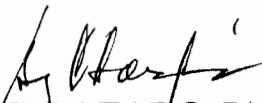


JOSE C. REYES, JR.
Associate Justice


(On Leave)
RAMON PAUL L. HERNANDO
Associate Justice



ROSMARI D. CARANDANG
Associate Justice



AMY C. LAZARO-JAVIER
Associate Justice

SECRETARY GENERAL

 HONORABLE SECRETARY
 Office of the Secretary
 Supreme Court