



Republic of the Philippines
Supreme Court
Manila

FIRST DIVISION

NOTICE

Sirs/Mesdames:

*Please take notice that the Court, First Division, issued a Resolution dated **September 3, 2020** which reads as follows:*

“A.C. No. 12458 [Formerly CBD Case No. 14-4408] - Conchita Valdez-Estabillo, herein represented by Alma Estabillo-Zulueta v. Atty. Ma. Concepcion C. Castro-Santiago

This resolves the Complaint¹ filed by Conchita Valdez-Estabillo (complainant), represented by her daughter, Alma Estabillo-Zulueta (Zulueta), against Atty. Ma. Concepcion C. Castro-Santiago (respondent) for conflict of interest pursuant to Canons 1, 12, and 15, Betrayal of Public Trust and Confidence under Canon 17, respectively, violation of the Code of Professional Responsibility (CPR) and violation of the Lawyer’s Oath.

Antecedents

On October 8, 2014, complainant, who is a US citizen residing in New Jersey, USA with local residence at #5 Roman Ayson Road, Campo Filipino, Baguio City and represented by Zulueta, filed a complaint before the Integrated Bar of the Philippines (IBP), Baguio-Benguet Chapter against respondent.

Complainant alleged that in 2001, she and her other siblings — Arthur Valdez, Rodolfo Valdez (Rodolfo), and Wanda Valdez-Fernandez (Wanda) — filed Civil Case No. 4957 for Annulment of Extrajudicial Settlement of Estate and Cancellation of Transfer Certificate of Title (TCT) No. T-75225 to recover a property covered by TCT No. T-1043 located in Baguio City, owned by his grandfather Matias Valdez (Matias). The reason is that the children of Ruben Valdez (Ruben), another brother of the complainant, was able to

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¹ *Rollo*, pp. 5-8.

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execute an Extrajudicial Settlement of Estate enabling his son, Ruben Valdez IV (Ruben IV), to transfer the subject property in Ruben IV's name and was able to cause the mortgage of the property to Juanito Castro (Castro). For legal representation, they hired Atty. Johnico L. Alim (Atty. Alim) from Alim Law Office to assist and facilitate the filing of the case.

In 2004, the court rendered a decision in favor of the complainant and her siblings. However, the mortgage annotation on the title of the subject lot was not cancelled. Hence, on December 13, 2005, Atty. Alim filed another case for the cancellation of the Real Estate Mortgage between Ruben IV and Castro under Civil Case No. 6181-R.

The respondent, meanwhile, after passing the 2006 bar exams, became part of the Alim Law Office which handled Civil Case No. 4957 and Civil Case No. 6181-R under Atty. Alim. Respondent stayed with Alim Law Office for only seven months, after which she established her own law firm in January of 2007. After the death of Atty. Alim in November 2009, Civil Case No. 6181-R was endorsed to respondent through the intercession of Rodolfo, the brother of the complainant.² Respondent then told the complainant and her siblings that she will be the one to continue the proceedings regarding the cancellation of the mortgage annotation in TCT No. T-1043. In return, she received ₱32,000.00 from complainant's granddaughter Rizza E. Zulueta although no receipt was issued by respondent. Nonetheless, even after the lapse of many years and up to the present, the cancellation of the mortgage in TCT No. T-1043 has not been accomplished and efforts to talk to the respondent remain unheeded.

On April 23, 2012, respondent, upon the orders of Wanda, filed an Unlawful Detainer Case (Civil Case No. 13611) against Roberto Y. Zulueta (Roberto), complainant's son-in-law and husband of Alma Estabillo-Zulueta. Roberto and his family were occupying the old house of Matias located at No. 5 Roman Ayson Road, Campo Filipino, Baguio City.³ The said house is being claimed by Wanda as hers although she is not contesting the co-ownership of the land. Roberto also claims ownership of the said house. In her affidavit for Roberto, complainant, as a lawful heir, averred that Wanda has no right to evict her daughter in the house as the property was still in the name of their grandparents and has not yet been divided among the

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² Id at 314-315.

³ Id. at

heirs.⁴ In the foregoing case, the court rendered a decision in favor of Wanda ordering Roberto and his family to vacate the property. The said case is currently subject of a petition for review under Rule 42 of the Rules of Court in the CA. Because of this, a complaint for Partition with prayer for the issuance of a Temporary Restraining Order (TRO) or Writ of Preliminary Injunction was filed by the complainant. During its hearing, respondent appeared for public defendant Sheriff Patrick Putiyon (Sheriff Putiyon) of Municipal Trial Court in Cities (MTCC)-2, Baguio City and filed a position paper for the said public defendant instead of appearing for Wanda.

The complainant averred that respondent has in her possession all the documents pertaining to Civil Case No. 4957 when she took over the said case after Atty. Alim's untimely demise which allegedly included a document that will disprove the claim of Wanda that she owns the old house of Matias where Roberto and his family were staying.⁵ Because of this, respondent should have been able to address the problem between complainant and Wanda by advising the latter not to pursue the filing of the ejectment case. Complainant posits that with this, the respondent violated the required ethical norms and standards that a lawyer swore to uphold.

Complainant further averred that respondent violated the CPR and the Lawyer's Oath by committing to have the mortgage annotation in TCT No. 1043 cancelled, but failed to do so after receiving compensation for this purpose. Furthermore, respondent represented Sheriff Putiyon of MTCC-2, Baguio City whose interest is adverse to complainant's interest.⁶

Respondent's Position

Respondent denies the allegations of the complainant averring that the judicial proceedings in Civil Case No. 4957 were already terminated even before she became a member of the bar in May 11, 2006.

Regarding Civil Case No. 6181-R, which is the case involving the cancellation of the annotations on the certificate of title, such case was withdrawn with the conformity and upon the advice of Rodolfo, brother of the complainant. Respondent further averred that she did not collect attorney's fees and was only paid a minimal appearance

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⁴ Id. at 68.

⁵ Id. at 6.

⁶ Id. at 312-313.

fee of ₱1,000.00 per hearing contrary to the allegation of the complainant that respondent received ₱32,000.00.

Anent Civil Case No. 13611 or the ejectment case, respondent said that it was not filed against complainant, but against Roberto, who is the son-in-law of the complainant. It has been the position of Rodolfo and Wanda that the parcel of land covered by TCT No. T-1043 is co-owned, but each of them has their own specific house which is constructed on the same parcel of land.

As for Civil Case No. 8104 involving the complaint for Partition with Prayer for the Issuance of a TRO or Writ of Preliminary Injunction, the respondent contended that she only entered her appearance for Sheriff Putiyon to ensure the implementation of the writ of execution issued by MTCC-2, Baguio City. Respondent said that this complaint was only used to forestall the execution of the favorable decision of the court in Civil Case No. 13611.

On the whole, respondent averred that the complainant was never her client and that Rodolfo and Wanda are her real clients. In fact, she never received any record of any case from complainant and that records would show that Rodolfo was the one who received such records from the secretary of Atty. Alim regarding the handling of Civil Case No. 6181-R.⁷

Report and Recommendation

In her Report and Recommendation,⁸ dated October 6, 2017, Commissioner Suzette A. Mamon recommended that the respondent be suspended from the practice of law for one month. Relevant portions of the Report and Recommendation are as follows:

x x x x

It is (sic) bears to note that the Decision dated August 11, 2004 in Civil Case No. 4957 (Annulment of Extrajudicial Settlement and Cancellation of Title No. T-75225, with damages) refers to the nullity of the Deeds of Extrajudicial Settlement of Estate of Deceased Persons dated September 3, 1999, cancellation of [TCT] No. T-75225 registered in the name of Defendant [Ruben Valdez IV] reinstatement of [TCT] No. T-1043 in the name of Matias Valdez married to Valentina Lasmarias. And that the said case had nothing to do with any of the houses constructed on the

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⁷ Id. at 107.

⁸ Id. at 311-320.

parcel of land covered by TCT No. 1043. That however, while Certificate of Title No. T-1043 was reinstated, Entry No. 19428-34-09 and Entry No. 23041-34-104 which were inscribed on TCT No. T-75225 even as the same was already cancelled by virtue of the Decision of the Court in Civil Case No. 4957 were carried over to [TCT] No. T-1043. However, it must be emphasized that herein respondent has now become a privy to all the information and communications relative to those cases and to the nature of the relationship between and among the siblings of herein complainant.

On the other hand, it was shown that Civil Case No. 7601-R, (Complaint for Judicial Foreclosure of Real Estate Mortgage with Damages – Regional Trial Court Branch 60 of Baguio City) the said case was filed by Juanito Castro, one of the Defendants in Civil Case No. 6181-R against and among others, [Rodolfo] wherein respondent took the case and prepared his Answer with Affirmative Defenses, Counterclaim and Cross-claim. Civil Case No. 7601-R is still pending before the Regional Trial Court Branch 60 of Baguio City.

It is further noted that again respondent admitted to have assisted [Wanda] one of the siblings of herein Complainant in a case for Unlawful Detainer against [Rodolfo] docketed as Civil Case No. 13611, which was decided in favor of respondent's client. That the subject matter of the said case is a house located at No. 5 Roman Ayson Street, Brawer Road, Baguio City. That the subject house was never raised as an issue in any of the foregoing cases, except the Complainant, [Rodolfo], [Wanda], Arnel V. Estabillo (a son of the Complainant) and some old-time residents of the place would affirm that the subject house in Civil Case No. 13611 is owned by Wanda.

It was further shown that the appearance of respondent in Civil Case No. 8104-R for [Partition] with Prayer for the Issuance of a Writ of Preliminary Injunction or [TRO] with Damages to restrain the implementation of the writ of execution issued by the Municipal Trial Court in the said Civil Case No. 13611 was only for [Sheriff Putiyon] of MTC-2 Baguio City to [e]nsure that the writ of execution will be implemented which was fully disclosed before the court.

Emphasis must be made of the fact that while the subject matter, respectively of the above-cited cases handled by respondent were separate and distinct, involving different parties and issues to be resolved. Nevertheless, as stated there appeared to be substantial disclosures of communications, facts and circumstances made by the siblings of complainant in her favour which could be adversely used by respondent in her handling of an action for unlawful detainer against the siblings of herein complainant as the subject matter of the said cases refer and revolved around the same common property owned by complainants grandfather Matias Valdez.

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While respondent maintained her stance denying the commission of the above-cited acts, she however failed to adduce proof and evidence to substantiate her defense. Records and proofs show that complainant's allegations were sufficiently corroborated to pass the test of whether or not conflict of interest exists and that the rule on confidentiality of attorney-client relation were violated by respondent.

x x x x⁹

On June 29, 2018, a Notice of Resolution¹⁰ was passed by the Board of Governors of the IBP which adopted and approved the Report and Recommendation of Commissioner Mamon. To quote:

x x x x

CBD. CASE NO. 14-4408
Conchita Valdez-Estabillo herein represented by
Alma Estabillo-Zulueta vs.
Atty. Ma. Concepcion C. Castro-Santiago

*RESOLVED to ADOPT the findings of fact and recommendation of the Investigating Commissioner to impose upon Respondent the penalty of **SUSPENSION FROM THE PRACTICE OF LAW FOR A PERIOD OF ONE (1) MONTH.***¹¹

x x x x

Hence, the case was transmitted to the Court for review.

The Court's Ruling

After reviewing the records of the case, the Court finds it proper to reverse the recommendation of the IBP Board of Governors regarding CBD Case No. 14-4408 to conform to pertinent rules and jurisprudence on bar discipline.

At the outset, it is important to emphasize that lawyers are officers of the court who are empowered to appear, prosecute, and defend the causes of their clients. The law imposes on them specific duties, responsibilities, and liabilities. Membership in the bar imposes on them certain obligations.¹² They are duty-bound to uphold the dignity of the legal profession. They must act honorably, fairly, and

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⁹ Id. at 318-319.

¹⁰ Id. at 309-310.

¹¹ Id. at 309.

¹² *Atty. Roque v. Atty. Balbin*, A.C. No. 7088, December 4, 2018.

candidly towards each other and for every person whose cause they agree to take up.¹³ Corollarily, a lawyer owes fidelity to such cause and must be mindful of the trust and confidence reposed in him.¹⁴

Rule 15.03, Canon 15 of the CPR provides that:

A lawyer shall not represent conflicting interests except by written consent of all concerned given after a full disclosure of the facts.

In essence, the rule regarding conflict of interest prohibits lawyers from representing clients if that representation will be directly adverse to any of their present or former clients.¹⁵ The rule covers not only cases in which confidential communications have been confided, but also those in which no confidence has been bestowed or will be used.¹⁶ In addition, the rule holds even if the inconsistency is remote or merely probable or the lawyer has acted in good faith and with no intention to represent conflicting interests.¹⁷

Moreover, a lawyer may only be allowed to represent a client involving the same or a substantially related matter that is materially adverse to the former client only if the former client consents to it after consultation. "The rule is grounded in the fiduciary obligation of loyalty."¹⁸ The reason is that in the course of a lawyer-client relationship, the lawyer learns all the facts connected with the client's case, including the weak and strong points of the case. The nature of that relationship is, therefore, one of trust and confidence of the highest degree.¹⁹

The termination of attorney-client relation provides no justification for a lawyer to represent an interest adverse to or in conflict with that of the former client. The client's confidence once reposed should not be divested by mere expiration of professional employment. In other words, even after the severance of the relation, lawyers should refrain from anything which will injuriously affect

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¹³ *Dallong-Galiciano v. Atty. Castro*, 510 Phil. 478, 485 (2005).

¹⁴ *San Juan v. Atty. Venida*, 793 Phil. 656, 661 (2016).

¹⁵ *Alag v. Atty. Senupe Jr.*, A.C. No. 12115, October 15, 2018.

¹⁶ *Atty. Legaspi v. Atty. Fajardo*, A.C. No. 9422, November 19, 2018, citing *Hornilla v. Atty. Salunat*, 453 Phil. 108, 111 (2003).

¹⁷ AGPALO, RUBEN (1991), *THE CODE OF PROFESSIONAL RESPONSIBILITY FOR LAWYERS*, 1st Edition, p. 166, citing *Nombrado v. Hernandez*, 135 Phil. 5 (1968) and *Natam v. Capule*, 91 Phil. 640 (1952).

¹⁸ *Paces Industrial Corporation v. Atty. Salandanan*, 814 Phil. 93, 101 (2017).

¹⁹ *Palacios v. Atty. Amora, Jr.*, 815 Phil. 9, 21 (2017), citing *Pacana v. Pascual-Lopez, Jr.*, 611 Phil. 399, 409-410 (2009).

their former client in any matter in which they previously represented said clients nor should they disclose or use any of the client's confidences acquired in the previous relation.²⁰

In relation to this, Canon 17 of the CPR provides that lawyers owe fidelity to the cause of their client and shall be mindful of the trust and confidence reposed on them. It is the primordial duty of lawyers to protect the client at all hazards and costs even to themselves.²¹ "The protection given to the client is perpetual and does not cease with the termination of the litigation, nor is it affected by the party's ceasing to employ the attorney and retaining another, or by any other change of relation between them. It even survives the death of the client."²²

In this regard, it is clear from the records of the case at bar that complainant could not have been adversely and directly affected by the ejectment case because she was not in possession of the property. In fact, she even stands to benefit from the ejectment case as co-owner of the same. It is well-settled that anyone of the co-owners may bring an action for ejectment without joining the others. "The action is not limited to ejectment cases but includes all kinds of suits for recovery of possession because the suit is presumed to have been instituted for the benefit of all."²³

Notably, the gravamen of the rule against conflict of interest is that a lawyer is prohibited from representing new clients whose interest oppose those of a former client. It does not matter whether or not they are parties in the same action or on totally unrelated cases. This is premised, however, on the fact that the former client would be adversely affected by the new representation of the counsel, either directly or indirectly which is not the case here. In the present case, instead of the representation being adverse to the complainant, the opposite holds true, as the complainant will stand to benefit from the ejectment case as co-owner of the property.

WHEREFORE, the Court **RESOLVES** to **DISMISS** the case against Atty. Ma. Concepcion C. Castro-Santiago and consider the same as **CLOSED** and **TERMINATED**.

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²⁰ *Heirs of Lydio Falame v. Atty. Baguio*, 571 Phil. 428, 441-442 (2008).


²¹ *Cortez v. Navarro*, A.C. No. 12317, January 8, 2020.

²² *Bun Siong Yao v. Atty. Aurelio*, 520 Phil. 425, 432-433 (2006).

²³ *Heirs of Ampil v. Manahan*, 697 Phil. 413, 420 (2012).

SO ORDERED.”

By authority of the Court:


LIBRADA C. BUENA
Division Clerk of Court
mrb

by:

MARIA TERESA B. SIBULO
Deputy Division Clerk of Court
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