



Republic of the Philippines
Supreme Court
Manila

EN BANC

CLEO B. DONGGA-AS,
Complainant,

A.C. No. 11113

- versus -

**ATTY. ROSE BEATRIX
CRUZ-ANGELES, ATTY.
WYLIE M. PALER, and
ATTY. ANGELES GRANDEA,
of the ANGELES, GRANDEA
& PALER LAW OFFICE,**
Respondents.

Present:

SERENO, C.J.,
CARPIO,
VELASCO, JR.,
LEONARDO-DE CASTRO,
BRION,*
PERALTA,
BERSAMIN,
DEL CASTILLO,
PEREZ,
MENDOZA,**
REYES,
PERLAS-BERNABE,
LEONEN,
JARDELEZA, and
CAGUIOA, JJ.

Promulgated:

August 9, 2016

[Signature]

X-----X

DECISION

PERLAS-BERNABE, J.:

For the Court's resolution is a Complaint-Affidavit¹ filed on February 11, 2005 by complainant Cleo B. Dongga-as (complainant), before the Integrated Bar of the Philippines (IBP) – Commission on Bar Discipline (CBD), against respondents Atty. Rose Beatrix Cruz-Angeles (Atty. Cruz-Angeles), Atty. Wylie M. Paler (Atty. Paler), and Atty. Angeles Grandea

* On leave.

** On official leave.

¹ Dated February 10, 2005. *Rollo*, pp. 2-11.

(Atty. Grandea; collectively, respondents) of the Angeles, Grandea & Paler Law Office (law firm), charging them of various violations of the Code of Professional Responsibility (CPR) for, *inter alia*, refusing to return the money given by complainant in exchange for legal services which respondents failed to perform.

The Facts

Complainant alleged that sometime in May 2004, he engaged the law firm of respondents to handle the annulment of his marriage with his wife, Mutya Filipinas Puno-Dongga-as (Mutya). In his meeting with Attys. Cruz-Angeles and Paler, complainant was told that: (a) the case would cost him ₱300,000.00, with the first ₱100,000.00 payable immediately and the remaining ₱200,000.00 payable after the final hearing of the case; (b) respondents will start working on the case upon receipt of ₱100,000.00, which will cover the acceptance fee, psychologist fee, and filing fees; and (c) the time-frame for the resolution of the case will be around three (3) to four (4) months from filing. Accordingly, complainant paid respondents ₱100,000.00 which was duly received by Atty. Cruz-Angeles.²

From then on, complainant constantly followed-up his case with Attys. Cruz-Angeles and Paler. However, despite his constant prodding, Attys. Cruz-Angeles and Paler could not present any petition and instead, offered excuses for the delay, saying that: (a) they still had to look for a psychologist to examine Mutya; (b) they were still looking for a “friendly” court and public prosecutor; and (c) they were still deliberating where to file the case.³ They promised that the petition would be filed on or before the end of June 2004, but such date passed without any petition being filed. As an excuse, they reasoned out that the petition could not be filed since they have yet to talk to the judge who they insinuated will favorably resolve complainant’s petition.⁴

Sometime in the third week of July 2004, Attys. Cruz-Angeles and Paler asked for an additional payment of ₱250,000.00 in order for them to continue working on the case. Hoping that his petition would soon be filed, complainant dutifully paid the said amount on July 23, 2004, which was again received by Atty. Cruz-Angeles.⁵ However, to complainant’s dismay, no appreciable progress took place. When complainant inquired about the delay in the filing of the case, Atty. Cruz-Angeles attempted to ease his worries by saying that the draft petition was already submitted to the judge for editing and that the petition will soon be finalized.⁶

² Id. at 2-3. See Annex “A-1,” id. at 12.

³ Id. at 3.

⁴ Id. at 4.

⁵ Id. See Annex “A-2,” id. at 12.

⁶ Id.

In the last week of September 2004, complainant received a text message from Atty. Cruz-Angeles informing him that the National Statistics Office bore no record of his marriage. The latter explained then that this development was favorable to complainant's case because, instead of the proposed petition for annulment of marriage, they would just need to file a petition for declaration of nullity of marriage. She also informed complainant that they would send someone to verify the records of his marriage at the Local Civil Registrar of La Trinidad, Benguet (Civil Registrar) where his marriage was celebrated. However, upon complainant's independent verification through his friend, he discovered that the records of his marriage in the Civil Registrar were intact, and that the alleged absence of the records of his marriage was a mere ruse to cover up the delay in the filing of the petition.⁷

Utterly frustrated with the delay in the filing of his petition for annulment, complainant went to respondents' law office to terminate their engagement and to demand for a refund of the aggregate amount of ₱350,000.00 he earlier paid them. However, Attys. Cruz-Angeles and Paler refused to return the said amount, and to complainant's surprise, sent him two (2) billing statements dated October 5, 2004⁸ and October 10, 2004⁹ in the amounts of ₱258,000.00 and ₱324,000.00, respectively. Notably, the October 5, 2004 billing statement included a fee for "consultants (prosecutors)" amounting to ₱45,000.00.¹⁰ In view of the foregoing, complainant filed the instant Complaint-Affidavit before the IBP-CBD, docketed as CBD Case No. 05-1426.

In her defense,¹¹ Atty. Cruz-Angeles admitted to have received a total of ₱350,000.00 from complainant,¹² but denied that she was remiss in her duties, explaining that the delay in the filing of the petition for annulment of marriage was due to complainant's failure to give the current address of Mutya and provide sufficient evidence to support the petition.¹³ Further, Atty. Cruz-Angeles alleged that it was Atty. Paler who was tasked to draft and finalize the petition.¹⁴ For his part,¹⁵ Atty. Paler moved for the dismissal of the case for failure to state a cause of action, arguing too that complainant filed the present administrative complaint only to avoid payment of attorney's fees.¹⁶

⁷ Id. at 5.

⁸ See id. at 13-14.

⁹ See id. at 15-16.

¹⁰ Id. at 5, 7, and 13.

¹¹ See Answer/Counter-Affidavit dated June 30, 2005; id. at 55- 68.

¹² See id. at 58 and 61.

¹³ See id. at 66.

¹⁴ Id. at 62.

¹⁵ See Answer/Counter-Affidavit dated July 5, 2005; id. at 72-74.

¹⁶ Id. at 72.

The IBP's Report and Recommendation

In a Report and Recommendation¹⁷ dated July 10, 2012, the IBP Investigating Commissioner found Attys. Cruz-Angeles and Paler administratively liable and, accordingly, recommended that they be meted the penalty of suspension from the practice of law for four (4) months. However, Atty. Grandea was exonerated of any liability as his participation in the charges has not been discussed, much less proven.¹⁸

The Investigating Commissioner found that complainant indeed engaged the services of Attys. Cruz-Angeles and Paler in order to annul his marriage with his wife, Mutya. Despite receiving the aggregate amount of ₱350,000.00 from complainant, Attys. Cruz-Angeles and Paler neglected the legal matter entrusted to them, as evidenced by their failure to just even draft complainant's petition for annulment despite being engaged for already five (5) long months.¹⁹ Moreover, as pointed out by the Investigating Commissioner, despite their preliminary assessment that complainant's petition would not likely prosper, Attys. Cruz-Angeles and Paler still proceeded to collect an additional ₱250,000.00 from complainant. Worse, they even billed him an exorbitant sum of ₱324,000.00.²⁰ Thus, the Investigating Commissioner opined that the amounts respondents had already collected and would still want to further collect from complainant can hardly be spent for research in connection with the annulment case that was not filed at all. Neither can they cover just fees for Attys. Cruz-Angeles and Paler who did nothing to serve complainant's cause.²¹

In a Resolution²² dated September 28, 2013, the IBP Board of Governors adopted and approved the aforesaid Report and Recommendation, with modification increasing the recommended penalty to two (2) years suspension from the practice of law. Atty. Cruz-Angeles moved for reconsideration,²³ which was, however, denied in a Resolution²⁴ dated June 7, 2015.

The Issue Before the Court

The essential issue in this case is whether or not Attys. Cruz-Angeles and Paler should be held administratively liable for violating the CPR.

¹⁷ Id. at 203-207. Signed by Commissioner Oliver A. Cachapero.

¹⁸ Id. at 207.

¹⁹ See id. at 205-206.

²⁰ Id. at 206.

²¹ Id. at 207.

²² See Notice of Resolution in Resolution No. XX-2013-105 signed by National Secretary Nasser A. Marohomsalic; id. at 202 (including dorsal portion).

²³ See motion for reconsideration dated February 11, 2014; id. at 208-214.

²⁴ See Notice of Resolution in Resolution in Resolution No. XXI-2015-482 signed by National Secretary Nasser A. Marohomsalic; id. at 228-229.

The Court's Ruling

A judicious perusal of the records reveals that sometime in May 2004, complainant secured the services of Attys. Cruz-Angeles and Paler for the purpose of annulling his marriage with Mutya, and in connection therewith, paid Attys. Cruz-Angeles and Paler the aggregate sum of ₱350,000.00 representing legal fees. However, despite the passage of more than five (5) months from the engagement, Attys. Cruz-Angeles and Paler failed to file the appropriate pleading to initiate the case before the proper court; and worse, could not even show a finished draft of such pleading. Such neglect of the legal matter entrusted to them by their client constitutes a flagrant violation of Rule 18.03, Canon 18 of the CPR, to wit:

CANON 18 – A LAWYER SHALL SERVE HIS CLIENT WITH COMPETENCE AND DILIGENCE.

Rule 18.03 – A lawyer shall not neglect a legal matter entrusted to him, and his negligence in connection therewith shall render him liable.

Case law exhorts that, “once a lawyer takes up the cause of his client, he is duty-bound to serve the latter with competence, and to attend to such client’s cause with diligence, care, and devotion whether he accepts it for a fee or for free. He owes fidelity to such cause and must always be mindful of the trust and confidence reposed upon him. Therefore, a lawyer’s neglect of a legal matter entrusted to him by his client constitutes inexcusable negligence for which he must be held administratively liable,”²⁵ as in this case.

In this relation, Attys. Cruz-Angeles and Paler also violated Rules 16.01 and 16.03, Canon 16 of the CPR when they failed to return to complainant the amount of ₱350,000.00 representing their legal fees, viz.:

CANON 16 – A LAWYER SHALL HOLD IN TRUST ALL MONEYS AND PROPERTIES OF HIS CLIENT THAT MAY COME INTO HIS POSSESSION.

Rule 16.01 – A lawyer shall account for all money or property collected or received for or from the client.

Rule 16.03 – A lawyer shall deliver the funds and property of his client when due or upon demand. x x x.

It bears stressing that “the relationship between a lawyer and his client is highly fiduciary and prescribes on a lawyer a great fidelity and good faith. The highly fiduciary nature of this relationship imposes upon the lawyer the

²⁵ See *Spouses Lopez v. Limos*, A.C. No. 7618, February 2, 2016.

duty to account for the money or property collected or received for or from his client. Thus, a lawyer's failure to return upon demand the funds held by him on behalf of his client, as in this case, gives rise to the presumption that he has appropriated the same for his own use in violation of the trust reposed in him by his client. Such act is a gross violation of general morality, as well as of professional ethics."²⁶

Furthermore, Attys. Cruz-Angeles and Paler misrepresented to complainant that the delay in the filing of his petition for annulment was due to the fact that they were still looking for a "friendly" court, judge, and public prosecutor who will not be too much of a hindrance in achieving success in the annulment case. In fact, in the two (2) billing statements dated October 5, 2004²⁷ and October 10, 2004,²⁸ Attys. Cruz-Angeles and Paler

²⁶ See *id.*

²⁷ See *rollo*, pp. 13-14. The breakdown of expenses is as follows:

Malaybalay:	
Representation	₱45,000.00
Counsel	50,000.00
Antipolo:	
Representation	5,000.00
Manila:	
Representation	5,000.00
Cavite:	
Representation	5,000.00
Bataan:	
Representation	5,000.00
Pampanga:	
Representation	5,000.00
Research:	10,000.00
Expenses:	
Long distance/cellphones	7,500.00
Administrative	3,000.00
Fees:	
Police	5,000.00
Witnesses (5)	5,000.00
Consultants (prosecutors)	45,000.00
Consultants (NBI)	2,500.00
Psychologists (initial)	5,000.00
Certifications	45,000.00
Address	5,000.00
TOTAL (approximate)	₱258,000.00

²⁸ *Id.* at 15. the breakdown of expenses is as follows:

Acceptance fees for law office	₱200,000.00
Collaborating counsel (Malaybalay)	100,000.00
Conference with collaborating counsel @ ₱2,500 per meeting	7,500.00

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made it appear that they went to various locations to look for a suitable venue in filing the said petition, and even paid various amounts to prosecutors and members of the National Bureau of Investigation to act as their “consultants.” Such misrepresentations and deceits on the part of Attys. Cruz-Angeles and Paler are violations of Rule 1.01, Canon 1 of the CPR, viz.:

CANON 1 – A lawyer shall uphold the constitution, obey the laws of the land and promote respect for law and legal processes.

Rule 1.01 – A lawyer shall not engage in unlawful, dishonest, immoral or deceitful conduct.

Rule 1.01, Canon 1 of the CPR instructs that “[a]s officers of the court, lawyers are bound to maintain not only a high standard of legal proficiency, but also of morality, honesty, integrity, and fair dealing.”²⁹ Clearly, Attys. Cruz-Angeles and Paler fell short of such standard when they committed the afore-described acts of misrepresentation and deception against complainant. Their acts are not only unacceptable, disgraceful, and dishonorable to the legal profession; they also reveal basic moral flaws that make Attys. Cruz-Angeles and Paler unfit to practice law.³⁰

As members of the Bar, Attys. Cruz-Angeles and Paler should not perform acts that would tend to undermine and/or denigrate the integrity of the courts, such as insinuating that they can find a “friendly” court and judge that will ensure a favorable ruling in complainant’s annulment case. It is their sworn duty as lawyers and officers of the court to uphold the dignity and authority of the courts. Respect for the courts guarantees the stability of the judicial institution. Without this guarantee, the institution would be resting on very shaky foundations.³¹ This is the very thrust of Canon 11 of the CPR, which provides that “[a] lawyer shall observe and maintain the respect due to the courts and to judicial officers and should insist on similar conduct by others.” Hence, lawyers who are remiss in performing such

Two meeting in Fort Bonifacio (two counsels)	10,000.00
Research in the following places:	
Samar	300.00
Cebu	300.00
Bohol	300.00
Basilan	300.00
Sulu	300.00
Total	₱324,000.00

²⁹ See *Spouses Lopez v. Limos*, supra note 25.

³⁰ See *id.*

³¹ See *PHILCOMSAT Holdings Corporation v. Lokin*, A.C. No. 11139, April 19, 2016, citing *Baculi v. Battung*, 674 Phil. 1, 8-9 (2011).

sworn duty violate the aforesaid Canon 11, and as such, should be held administratively liable and penalized accordingly, as in this case.³²

Moreover, Canon 7 of the CPR commands every lawyer to “at all times uphold the integrity and dignity of the legal profession” for the strength of the legal profession lies in the dignity and integrity of its members. It is every lawyer’s duty to maintain the high regard to the profession by staying true to his oath and keeping his actions beyond reproach. It must be reiterated that as an officer of the court, it is a lawyer’s sworn and moral duty to help build and not destroy unnecessarily that high esteem and regard towards the courts so essential to the proper administration of justice; as acts and/or omissions emanating from lawyers which tend to undermine the judicial edifice is disastrous to the continuity of the government and to the attainment of the liberties of the people. Thus, all lawyers should be bound not only to safeguard the good name of the legal profession, but also to keep inviolable the honor, prestige, and reputation of the judiciary.³³ In this case, Attys. Cruz-Angeles and Paler compromised the integrity not only of the judiciary, but also of the national prosecutorial service, by insinuating that they can influence a court, judge, and prosecutor to cooperate with them to ensure the annulment of complainant’s marriage. Indubitably, Attys. Cruz-Angeles and Paler also violated Canon 7 of the CPR, and hence, they should be held administratively liable therefor.

Anent the proper penalty for Attys. Cruz-Angeles and Paler, jurisprudence provides that in similar cases where lawyers neglected their client’s affairs, failed to return the latter’s money and/or property despite demand, and at the same time committed acts of misrepresentation and deceit against their clients, the Court imposed upon them the penalty of suspension from the practice of law for a period of two (2) years. In *Jinon v. Jiz*,³⁴ the Court suspended the lawyer for a period of two (2) years for his failure to return the amount his client gave him for his legal services which he never performed. Also, in *Agot v. Rivera*,³⁵ the Court suspended the lawyer for a period of two (2) years for his (a) failure to handle the legal matter entrusted to him and to return the legal fees in connection therewith; and (b) misrepresentation that he was an immigration lawyer, when in truth, he was not. Finally, in *Spouses Lopez v. Limos*,³⁶ the Court suspended the erring lawyer for three (3) years for her failure to file a petition for adoption on behalf of complainants, return the money she received as legal fees, and for her commission of deceitful acts in misrepresenting that she had already filed such petition when nothing was actually filed, resulting in undue prejudice to therein complainants. In this case, not only did Attys. Cruz-Angeles and Paler fail to file complainant’s petition for annulment of

³² See *id.*

³³ See *id.*, citing *Francia v. Abdon*, A.C. No. 10031, July 23, 2014, 730 SCRA 341, 354-355.

³⁴ 705 Phil. 321 (2013).

³⁵ A.C. No. 8000, August 5, 2014, 732 SCRA 12.

³⁶ See *supra* note 25.

marriage and return what the latter paid them as legal fees, they likewise misrepresented that they can find a court, judge, and prosecutor who they can easily influence to ensure a favorable resolution of such petition, to the detriment of the judiciary and the national prosecutorial service. Under these circumstances, the Court individually imposes upon Attys. Cruz-Angeles and Paler the penalty of suspension from the practice of law for a period of three (3) years.

Finally, the Court sustains the IBP's recommendation ordering Attys. Cruz-Angeles and Paler to return the amount of ₱350,000.00 they received from complainant as legal fees. It is well to note that "while the Court has previously held that disciplinary proceedings should only revolve around the determination of the respondent-lawyer's administrative and not his civil liability, it must be clarified that this rule remains applicable only to claimed liabilities which are purely civil in nature – for instance, when the claim involves moneys received by the lawyer from his client in a transaction separate and distinct and not intrinsically linked to his professional engagement."³⁷ Hence, since Attys. Cruz-Angeles and Paler received the aforesaid amount as part of their legal fees, the Court finds the return thereof to be in order.

WHEREFORE, respondents Atty. Rose Beatrix Cruz-Angeles and Atty. Wylie M. Paler are found **GUILTY** of violating Rule 1.01, Canon 1, Canon 7, Canon 11, Rule 18.03, Canon 18, and Rules 16.01 and 16.03, Canon 16 of the Code of Professional Responsibility. Accordingly, each of them is hereby **SUSPENDED** from the practice of law for a period of three (3) years, effective upon the finality of this Decision, with a **STERN WARNING** that a repetition of the same or similar acts will be dealt with more severely.

Likewise, respondents Atty. Rose Beatrix Cruz-Angeles and Atty. Wylie M. Paler are **ORDERED** to return to complainant Cleo B. Dongga-as the legal fees they received from the latter in the aggregate amount of ₱350,000.00 within ninety (90) days from the finality of this Decision. Failure to comply with the foregoing directive will warrant the imposition of a more severe penalty.

Meanwhile, the complaint as against Atty. Angeles Grandea is **DISMISSED** for lack of merit.

Let copies of this Decision be served on the Office of the Bar Confidant, the Integrated Bar of the Philippines, and all courts in the country for their information and guidance and be attached to respondents' personal records as attorney.

³⁷ See *id.*, citing *Pitcher v. Gagate*, 719 Phil. 82, 94 (2013).

SO ORDERED.

Ms. Herl
ESTELA M. PERLAS-BERNABE
Associate Justice

WE CONCUR:

[Signature]
MARIA LOURDES P. A. SERENO
Chief Justice

[Signature]
ANTONIO T. CARPIO
Associate Justice

[Signature]
PRESBITERO J. VELASCO, JR.
Associate Justice

[Signature]
TERESITA J. LEONARDO-DE CASTRO
Associate Justice

On leave
ARTURO D. BRION
Associate Justice

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DIOSDADO M. PERALTA
Associate Justice

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LUCAS P. BERSAMIN
Associate Justice

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MARIANO C. DEL CASTILLO
Associate Justice

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JOSE PORTUGAL BEREZ
Associate Justice

On official leave
JOSE CATRAL MENDOZA
Associate Justice

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BIENVENIDO L. REYES
Associate Justice

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MARVIC M. V. F. LEONEN
Associate Justice

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FRANCIS H. JARDELEZA
Associate Justice

[Signature]
ALFREDO BENJAMINS S. CAGUIOA
Associate Justice

CERTIFIED TO BE TRUE
[Signature]
FELIPA S. ANANAN
CLERK OF COURT, EN BANC
SUPREME COURT