

Republic of the Philippines
 Supreme Court
 Manila

EN BANC

ENGEL PAUL ACA,
 Complainant,

A.C. No. 10952

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

- versus -

ATTY. RONALDO P.
 SALVADO,
 Respondent.

Promulgated:
 January 26, 2016

X ----- *J. Borlongan - Prama* X

DECISION

PER CURIAM:

This refers to the October 11, 2014 Resolution¹ of the Integrated Bar of the Philippines Board of Governors (*IBP-BOG*) which adopted and approved with modification the Report and Recommendation² of the Investigating Commissioner suspending Atty. Ronaldo P. Salvado (*Atty. Salvado*) from the practice of law.

¹ *Rollo*, p. 143.

² *Id.* at 144-148.

The Complaint:

On May 30, 2012, Engel Paul Aca filed an administrative complaint³ for disbarment against Atty. Salvado for violation of Canon 1, Rule 1.01⁴ and Canon 7, Rule 7.03⁵ of the Code of Professional Responsibility (CPR).

Complainant alleged, among others, that sometime in 2010, he met Atty. Salvado through Atty. Samuel Divina (*Atty. Divina*), his childhood friend; that Atty. Salvado introduced himself as a lawyer and a businessman engaged in several businesses including but not limited to the lending business; that on the same occasion, Atty. Salvado enticed the complainant to invest in his business with a guarantee that he would be given a high interest rate of 5% to 6% every month; and that he was assured of a profitable investment due by Atty. Salvado as the latter had various clients and investors.

Because of these representations coupled by the assurance of Atty. Salvado that he would not place his reputation as a lawyer on the line, complainant made an initial investment in his business. This initial investment yielded an amount corresponding to the principal plus the promised interest. On various dates from 2010 to 2011, complainant claimed that he was again induced by Atty. Salvado to invest with promises of high rates of return.

As consideration for these investments, Atty. Salvado issued several post-dated checks in the total amount of ₱6,107,000.00, representing the principal amount plus interests. All checks were drawn from PSBank Account number 040331-00087-9, fully described as follows:

Check Number	Date Issued	Amount
0060144	August 14, 2011	₱ 657,000.00
0060147	September 29, 2011	₱ 530,000.00
0060190	September 29, 2011	₱ 60,000.00
0060194	October 16, 2011	₱ 90,000.00
0060206	October 17, 2011	₱ 2,120,000.00
0060191	October 29, 2011	₱ 1,060,000.00
0060195	November 16, 2011	₱ 1,590,000.00

³ Id. at 2-11.

⁴ "A lawyer shall not engage in unlawful, dishonest, immoral or deceitful conduct."

⁵ "A lawyer shall not engage in conduct that adversely reflects on the 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."

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Upon presentment, however, complainant was shocked to learn that the aforementioned checks were dishonored as these were drawn from insufficient funds or a closed account.

Complainant made several verbal and written demands upon Atty. Salvado, who at first, openly communicated with him, assuring him that he would not abscond from his obligations and that he was just having difficulty liquidating his assets and collecting from his own creditors. Complainant was even informed by Atty. Salvado that he owned real properties that could serve as payment for his obligations. As time went by, however, Atty. Salvado began to avoid complainant's calls and text messages. Attempts to meet up with him through common friends also proved futile. This prompted complainant to refer the matter to his lawyer Atty. Divina, for appropriate legal action.

On December 26, 2011, Atty. Divina personally served the Notice of Dishonor on Atty. Salvado, directing him to settle his total obligation in the amount of ₱747,000.00, corresponding to the cash value of the first two (2) PSBank checks, within seven (7) days from receipt of the said notice.⁶ Nevertheless, Atty. Salvado refused to receive the said notice when Atty. Divina's messenger attempted to serve it on him.

Sometime in April 2012, complainant yet again engaged the services of Atty. Divina, who, with his filing clerk and the complainant's family, went to Atty. Salvado's house to personally serve the demand letter. A certain "Mark" who opened the gate told the filing clerk that Atty. Salvado was no longer residing there and had been staying in the province already.

As they were about to leave, a red vehicle arrived bearing Atty. Salvado. Complainant quickly alighted from his vehicle and confronted him as he was about to enter the gate of the house. Obviously startled, Atty. Salvado told him that he had not forgotten his debt and invited complainant to enter the house so they could talk. Complainant refused the invitation and instead told Atty. Salvado that they should talk inside his vehicle where his companions were.

During this conversation, Atty. Salvado assured complainant that he was working on "something" to pay his obligations. He still refused to personally receive or, at the least, read the demand letter.

⁶ Rollo, pp. 15-16.

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Despite his promises, Atty. Salvado failed to settle his obligations.

For complainant, Atty. Salvado's act of issuing worthless checks not only constituted a violation of *Batas Pambansa Bilang 22 (B.P. 22)* or the "Anti-Bouncing Checks Law," but also reflected his depraved character as a lawyer. Atty. Salvado not only refused to comply with his obligation, but also used his knowledge of the law to evade criminal prosecution. He had obviously instructed his household staff to lie as to his whereabouts and to reject any correspondence sent to him. This resort to deceitful ways showed that Atty. Salvado was not fit to remain as a member of the Bar.

The Defense of the Respondent

On July 24, 2012, Atty. Salvado filed his Answer,⁷ denying that he told complainant that he had previously entered into various government contracts and that he was previously engaged in some other businesses prior to engaging in the lending and rediscounting business. Atty. Salvado asserted that he never enticed complainant to invest in his business, but it was Atty. Divina's earnings of good interest that attracted him into making an investment. He further stated that during their initial meeting, it was complainant who inquired if he still needed additional investments; that it was Atty. Divina who assured complainant of high returns; and that complainant was fully aware that the money invested in his businesses constituted a loan to his clients and/or borrowers. Thus, from time to time, the return of investment and accrued interest when due – as reflected in the maturity dates of the checks issued to complainant– could be delayed, whenever Atty. Salvado's clients requested for an extension or renewal of their respective loans. In other words, the checks he issued were merely intended as security or evidence of investment.

Atty. Salvado also claimed that, in the past, there were instances when he would request complainant not to deposit a check knowing that it was not backed up by sufficient funds. This arrangement had worked until the dishonor of the checks, for which he readily offered his house and lot located in Marikina City as collateral.

The Reply of Complainant

On August 30, 2012, complainant filed his Reply,⁸ pointing out that Atty. Salvado did not deny receiving money from him by way of investment. Thus, he must be deemed to have admitted that he had issued several postdated checks which were eventually dishonored. Atty.

⁷ Id. at 35-40.

⁸ Id. at 45-54.

JJ for Noyan - Arano

Salvado's claim that it was complainant himself who prodded him about making investments must be brushed aside for being self-serving and baseless. Assuming *arguendo*, that complainant indeed made offers of investment, Atty. Salvado should have easily refused knowing fully well that he could not fund the checks that he would be issuing when they become due. If it were true that the checks were issued for complainant's security, Atty. Salvado could have drafted a document evidencing such agreement. His failure to present such document, if one existed at all, only proved that the subject checks were issued as payment for complainant's investment.⁹

Complainant also clarified that his complaint against Atty. Salvado was never meant to harass him. Despite the dishonor of the checks, he still tried to settle the dispute with Atty. Salvado who left him with no choice after he refused to communicate with him properly.

Thereafter, the parties were required to file their respective mandatory conference briefs and position papers. Atty. Salvado insisted that he had acted in all honesty and good faith in his dealings with the complainant. He also emphasized that the title to his house and lot in Greenheights Subdivision, Marikina City, had been transferred in the name of complainant after he executed a deed of sale as an expression of his "desire and willingness to settle whatever is due to the complainant."¹⁰

Report and Recommendation of Investigating Commissioner

On January 2, 2014, the Investigating Commissioner recommended that Atty. Salvado be meted a penalty of suspension from the practice of law for six (6) months for engaging in a conduct that adversely reflects on his fitness to practice law and for behaving in a scandalous manner to the discredit of the legal profession. Atty. Salvado's act of issuing checks without sufficient funds to cover the same constituted willful dishonesty and immoral conduct which undermine the public confidence in the legal profession.

The IBP-BOG Resolution

On October 11, 2014, the IBP-BOG adopted and approved the recommendation with modification as to the period of suspension. The IBP-BOG increased the period of Atty. Salvado's suspension from six (6) months to two (2) years.

⁹ Id. at 50.

¹⁰ Id. at 119. See also id. at 124-132.

19/10/14 - [Signature]

Neither a motion for reconsideration before the IBP-BOG nor a petition for review before this Court was filed. Nonetheless, the IBP elevated to this Court the entire records of the case for appropriate action with the IBP Resolution being merely recommendatory and, therefore, would not attain finality, pursuant to par. (b), Section 12, Rule 139-B of the Rules of Court.¹¹

The Court's Ruling

The parties gave conflicting versions of the controversy. Complainant, claimed to have been lured by Atty. Salvado into investing in his businesses with the promise of yielding high interests, which he believed because he was a lawyer who was expected to protect his public image at all times. Atty. Salvado, on the other hand, denied having enticed the complainant, whom he claimed had invested by virtue of his own desire to gain profits. He insisted that the checks that he issued in favor of complainant were in the form of security or evidence of investment. It followed, according to Atty. Salvado, that he must be considered to have never ensured the payment of the checks upon maturity. Atty. Salvado strongly added that the dishonor of the subject checks was "purely a result of his gullibility and inadvertence, with the unfortunate result that he himself was a victim of failed lending transactions xxx."¹²

The Court sustains the findings of the IBP-BOG and adopts its recommendation in part.

First. A perusal of the records reveals that complainant's version deserves credence, not only due to the unambiguous manner by which the narrative of events was laid down, but also by the coherent reasoning the narrative has employed. The public is, indeed, inclined to rely on representations made by lawyers. As a man of law, a lawyer is necessarily a leader of the community, looked up to as a model citizen.¹³ A man, learned in the law like Atty. Salvado, is expected to make truthful representations when dealing with persons, clients or otherwise. For the Court, and as the IBP-BOG had observed, complainant's being beguiled to part with his money and believe Atty. Salvado as a lawyer and

¹¹ Section 12. Review and decision by the Board of Governors.

xxxx

b) If the Board, by the vote of a majority of its total membership, determines that the respondent should be suspended from the practice of law or disbarred, it shall issue a resolution setting forth its findings and recommendations which, together with the whole record of the case, shall forthwith be transmitted to the Supreme Court for final action.

¹² *Rollo*, p. 120.

¹³ *Blanza v. Arcangel*, A.C. No.492, September 5, 1967, 21 SCRA 1, 4.

J. Forlongan - Pano

businessman was typical human behavior worthy of belief. The Court finds it hard to believe that a person like the complainant would not find the profession of the person on whose businesses he would invest as important to consider. Simply put, Atty. Salvado's stature as a member of the Bar had, in one way or another, influenced complainant's decision to invest.

Second. It must be pointed out that the denials proffered by Atty. Salvado cannot belie the dishonor of the checks. His strained explanation that the checks were mere securities cannot be countenanced. Of all people, lawyers are expected to fully comprehend the legal import of bouncing checks. In *Lozano v. Martinez*,¹⁴ the Court ruled that the gravamen of the offense punished by B.P. 22 is the act of making and issuing a worthless check; that is, a check that is dishonored upon its presentation for payment. The thrust of the law is to prohibit, under pain of penal sanctions, the making and circulation of worthless checks. Because of its deleterious effects on the public interest, the practice is proscribed by the law.

Hence, the excuse of "gullibility and inadvertence" deserves scant consideration. Surely, Atty. Salvado is aware that promoting obedience to the Constitution and the laws of the land is the primary obligation of lawyers. When he issued the worthless checks, he discredited the legal profession and created the public impression that laws were mere tools of convenience that could be used, bended and abused to satisfy personal whims and desires. In *Lao v. Medel*,¹⁵ the Court wrote that the issuance of worthless checks constituted gross misconduct, and put the erring lawyer's moral character in serious doubt, though it was not related to his professional duties as a member of the Bar. Covered by this dictum is Atty. Salvado's business relationship with complainant. His issuance of the subject checks display his doubtful fitness as an officer of the court. Clearly, he violated Rule 1.01 and Rule 7.03 of the CPR.

Third. Parenthetically, the Court cannot overlook Atty. Salvado's deceiving attempts to evade payment of his obligations. Instead of displaying a committed attitude to his creditor, Atty. Salvado refused to answer complainant's demands. He even tried to make the complainant believe that he was no longer residing at his given address. These acts demonstrate lack of moral character to satisfy the responsibilities and duties imposed on lawyers as professionals and as officers of the court. The subsequent offers he had made and the eventual sale of his properties

¹⁴ 230 Phil. 406, 421 (1986).

¹⁵ 453 Phil. 115 (2003).

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to the complainant, unfortunately cannot overturn his acts unbecoming of a member of the Bar.

Fourth. The Court need not elaborate on the correctness of the Investigating Commissioner's reliance on jurisprudence stating that administrative cases against lawyers belong to a class of their own and may proceed independently of civil and criminal cases, including violations of B.P. 22.

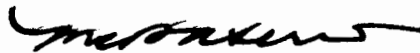
Accordingly, the only issue in disciplinary proceedings against lawyers is the respondent's fitness to remain as a member of the Bar. The Court's findings have no material bearing on other judicial actions which the parties may choose to file against each other.¹⁶

All told, the Court finds that Atty. Salvado's reprehensible conduct warrants a penalty commensurate to his violation of the CPR and the Lawyer's Oath.

WHEREFORE, the Court finds Atty. Ronaldo P. Salvado **GUILTY** of violating Rule 1.01, Canon 1 and Rule 7.03 of the Code of Professional Responsibility. Accordingly, the Court **SUSPENDS** him from the practice of law for a period of two (2) years.

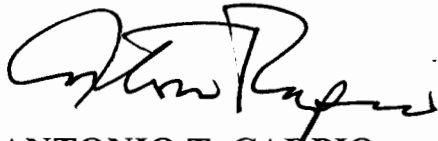
Let copies of this decision be furnished the Office of the Bar Confidant, the Integrated Bar of the Philippines, and all courts all over the country. Let a copy of this decision be attached to the personal records of the respondent.

SO ORDERED.




MARIA LOURDES P. A. SERENO
Chief Justice


¹⁶ *Roa v. Moreno*, 633 Phil. 1, 8 (2010).



ANTONIO T. CARPIO
Associate Justice




PRESBITERO J. VELASCO, JR.
Associate Justice



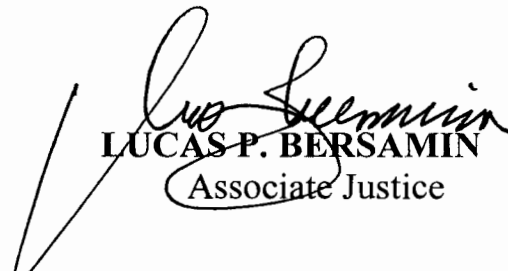
TERESITA J. LEONARDO-DE CASTRO
Associate Justice




ARTURO D. BRION
Associate Justice




DIOSDADO M. PERALTA
Associate Justice



LUCAS P. BERSAMIN
Associate Justice




MARIANO C. DEL CASTILLO
Associate Justice




JOSE PORTUGAL PEREZ
Associate Justice




JOSE CATRAL MENDOZA
Associate Justice



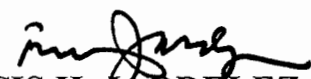
BIENVENIDO L. REYES
Associate Justice



ESTELA M. PERLAS-BERNABE
Associate Justice



MARVIC M.V.F. LEONEN
Associate Justice



FRANCIS H. JARDELEZA
Associate Justice