



Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

**SPOUSES CEFERINO and
AZUCENA PALAGANAS,**
Complainants,

A.C. No. 7632
[Formerly CBD Case No. 05-1428]

Present:

- versus -

LAZARO-JAVIER,* J.,
INTING,
Acting Chairperson,
GAERLAN,
DIMAAMPAO, and
SINGH, JJ.

ATTY. MARIO P. PANGANIBAN,
Respondent.

Promulgated:

FEB 24 2025
MICHELLE B. A. H.

X-----X

DECISION

GAERLAN, J.:

This refers to the Motion for Entry of Judgment and Issuance of Writ of Execution (On the February 18, 2008 Resolution)¹ filed by spouses Ceferino and Azucena Palaganas (Azucena) (collectively, spouses Palaganas) seeking to execute the Notice of Resolution² issued by the Integrated Board of the Philippines-Board of Governor (IBP-BOG) which dismissed the Complaint (Administrative Complaint)³ and ordered Atty. Mario P. Panganiban (Atty. Panganiban) to pay spouses Palaganas PHP 87,058.00.

* Lazaro-Javier, J., designated additional Member per Raffle dated February 11, 2025 vice Caguioa, J., who took no part.

¹ Rollo, pp. 223–226.

² *Id.* at 155.

³ *Id.* at 2–9.

Antecedents

This case stemmed from the Administrative Complaint filed by spouses Palaganas against Atty. Panganiban for violating the Lawyer’s Oath and Code of Professional Responsibility. Spouses Palaganas averred that sometime in 1993, Atty. Panganiban obtained a personal loan from them in the amount of PHP 212,059.00.⁴

To secure the said obligations, Atty. Panganiban issued the following post-dated checks (subject checks):

BANK	CHECK NO.	DATE	AMOUNT
UCPB-Lipa	LPA 082263	11-30-93	PHP 52,059.00
UCPB -Lipa	LPA 082280	11-30-93	PHP 20,000.00
UCPB -Lipa	LPA 082154	12-24-93	PHP 68,000.00
UCPB -Lipa	LPA 082155	12-24-93	PHP 72,000.00

However, upon depositing the subject checks, the same were dishonored being drawn from a closed account. Spouses Palaganas then informed Atty. Panganiban that his checks were dishonored to which the latter assured that he would settle his obligations. However, Atty. Panganiban failed to make payment on his outstanding debt.⁵

Spouses Palaganas then sent several written demands upon Atty. Panganiban but to no avail. After the lapse of nine years, Atty. Panganiban never made any payment to settle his indebtedness. On November 24, 2003, spouses Palaganas instituted a Complaint for Collection of Sum of Money with Damages (Civil Case)⁶ against Atty. Panganiban before Branch 18, Regional Trial Court of Malolos City, Bulacan docketed as Civil Case No. 883-M-2003.

Going back to the Administrative Complaint, spouses Palaganas avers that Atty. Panganiban violated the Lawyer’s Oath, Section 27, Rule 138 of the Rules of Court, and Code of Professional Responsibility when he issued worthless checks which amounted to gross misconduct, breach of trust and deceit.⁷

Meanwhile, Atty. Panganiban in his Answer,⁸ denied directly contracting loan from spouses Palaganas. He avers that it was his sister, Lolita

⁴ *Id.* at 3.
⁵ *Id.* at 3–4.
⁶ *Id.* at 10–13.
⁷ *Id.* at 5–6.
⁸ *Id.* at 18–26.

J

P. Espiritu (Lolita), who negotiated the loans/re-discounting from spouses Palaganas and delivered the subject checks.⁹

Further, he vehemently denies the accusation that he never made any payment to spouses Palaganas. He in fact, posits, that a total amount of PHP 125,000.00 was received by spouses Palaganas as payment for his obligations.¹⁰ The breakdown of which are as follows:

1) Cash payment on June 4, 1996 in the amount of PHP 35,000.00 and PCIB Check No. 227713 in the amount of PHP 40,000.00 as evidenced by acknowledgement receipt signed by Azucena; and

2) PCIB Check Nos. 241955 and 241956 with a total amount of PHP50,000.00 which was later replaced by cash on July 2, 1997 in the same amount as evidenced by the acknowledgement receipt signed by Helen Rivero, spouses Palaganas's employee.¹¹

For the remainder of his obligation, Atty. Panganiban claims to have previously negotiated the same, however, spouses Palaganas refused his offer of payment and instead demanded the payment of exorbitant and unconscionable penalties and interests.¹²

Lastly, Atty. Panganiban avers that contrary to spouses Palaganas's claim, he did not commit any act of disgrace to his profession nor violated the Code of Professional Responsibility.¹³

On April 10, 2005, the IBP-Commission on Bar Discipline (IBP-CBD) set the case for Mandatory Conference and Hearing on May 3, 2005.¹⁴ Atty. Panganiban filed an Urgent Motion to Postpone Hearing¹⁵ dated April 29, 2005, due to conflict of schedule as he was scheduled to appear on hearings at Lipa City. As such, on the scheduled date of hearing, only spouses Palaganas appeared.¹⁶ The case was further reset on June 3, 2005 and June 27, 2005 where Atty. Panganiban again failed to appear.¹⁷ Due to Atty. Panganiban's

⁹ *Id.* at 18.

¹⁰ *Id.* at 19.

¹¹ *Id.* at 24.

¹² *Id.* at 19.

¹³ *Id.* at 20.

¹⁴ *Id.* at 30.

¹⁵ *Id.* at 32-33.

¹⁶ *Id.* at 31.

¹⁷ *Id.* at 35 and 37.

consecutive failure to attend the scheduled hearings, spouses Palaganas were prompted to file an Ex-Parte Motion to Set Case For Hearing.¹⁸

In its Position Paper¹⁹ dated March 23, 2006, spouses Palaganas denied receiving PCIB Check Nos. 241955 and 241956 stating that the Azucena's signature appearing on the acknowledgement receipt presented by Atty. Panganiban was not her own but rather a forgery.²⁰

On the other hand, Atty. Panganiban in his Position Paper²¹ narrated that in September 1993, he was working as a Project Manager of MLP Construction, a company registered under his wife's name, as a Civil Engineer. At that time, the company was needing additional cash when Lolita volunteered that she knew someone engaged in check rediscounting. That is when the subject checks under the MLP Construction's account were issued for rediscounting.²²

Prior to the due dates of the subject checks, the company was still short of cash, hence, Azucena extended the accommodation of the checks and instead charged them with interests which were exorbitant and unconscionable. Without much choice, MLP Construction agreed to pay the interests for more than three years.²³

Subsequently in 1997, MLP Construction through Lolita, negotiated with Azucena the payment of the value of checks by installment basis which was agreed upon. To comply, the PCIB checks in the amount of PHP 125,000.00 were issued to spouses Palaganas. In the same year, MLP Construction, again, through Lolita, offered to pay the remaining balance of PHP 87,059.00, however, this was refused by spouses Palaganas. According to Atty. Panganiban, spouses Palaganas is still charging them with exorbitant and unconscionable interests and penalties, the latter also refused to return the subject checks. Despite this, MLP Construction still made personal requests to pay their remaining balance, but spouses Palaganas did not heed them. Due to this, the former decided to stop submitting to the unlawful and unreasonable demands of spouses Palaganas.²⁴

No action or demand by spouses Palaganas was made for almost 10 years. For his part, Atty. Panganiban thought that they have fully settled their obligations with spouses Palaganas by paying amounts, including the interests

¹⁸ *Id.* at 41-42.

¹⁹ *Id.* at 66-77.

²⁰ *Id.* at 70.

²¹ *Id.* at 78-84.

²² *Id.* at 78.

²³ *Id.*

²⁴ *Id.* at 79.

charged sufficient to cover their debts. However, Atty. Panganiban was surprised upon learning that spouses Palaganas filed the Civil Case against him demanding the total amount of checks (PHP 212,059.00) and other damages.²⁵

Report and Recommendation of the Commissioner

On November 15, 2006, the IBP-CBD issued its Report and Recommendation²⁶ finding Atty. Panganiban guilty of violating the lawyer's oath, the *fallo* of which reads as follows:

PREMISES CONSIDERED, it is submitted that [Atty. Panganiban] is **GUILTY** of violating the lawyer's oath and should be given the penalty of **THREE MONTHS SUSPENSION**.

Respectfully submitted.²⁷ (Emphasis in the original)

In finding Atty. Panganiban administratively liable, the IBP-CBD ruled that there is an obligation on the part of Atty. Panganiban to ensure that the checks he signed, be honored. Moreover, the IBP-CBD did not give credence to Atty. Panganiban's position that he offered to pay the remaining principal without interest and then claiming that the interest charged was exorbitant since he agreed to the said arrangement. Therefore, spouses Palaganas are justified in refusing to accept payment offered without the said interest.²⁸

While the IBP-CBD did not find Atty. Panganiban liable as a member of the bar for violating Rule 15.08 of the Code of Professional Responsibility which states that "[a] lawyer who is engaged in another profession or occupation concurrently with the practice of law shall made clear to his client whether he is acting as a lawyer or in another capacity," as there was no indication that he was in the practice of law at that time, Atty. Panganiban was instead found guilty of violating the lawyer's oath for failing to obey the laws of the land that prohibits the issuance of bouncing checks.²⁹

Resolution of the IBP-BOG

In a Notice of Resolution³⁰ dated May 31, 2007, the IBP-BOG amended the Report and Recommendation of Commissioner and resolved to dismiss the administrative case or lack of merit, viz.:

²⁵ *Id.*

²⁶ *Id.* at 156–165. Penned by Commissioner Dennis A.B. Funa.

²⁷ *Id.* at 165.

²⁸ *Id.* at 163.

²⁹ *Id.* at 163–164.

³⁰ *Id.* at 155.

RESOLUTION NO. XVII-2007-223
CBD Case No. 05-1428
Sps. Ceferino C. Palaganas
& Azucena R. Palaganas vs.
Atty. Mario Panganiban

RESOLVED to AMEND, as it is hereby AMENDED, the Recommendation of the Investigating Commissioner, and to APPROVE the **DISMISSAL** of the above-entitled case for lack of merit. However, [Atty. Panganiban] is **Ordered to Pay** [spouses Palaganas] the balance of [PHP] 87,058.00 plus interest of 12% per annum from the time demand was made.

On November 14, 2007,³¹ this Court issued a Resolution which **noted** the Resolution No. XVII-2007-223 of the IBP-BOG. Thereafter, on February 18, 2008, the Court resolved to **close** and **terminate** this case since neither spouses Palaganas nor Atty. Panganiban filed their respective Motion for Reconsideration.³²

Following the termination of the administrative case, spouses Palaganas filed a Motion for Execution³³ of the November 14, 2007 Resolution of this Court. Thereafter, Atty. Panganiban filed his opposition³⁴ stating that the sum of money awarded by the IBP-BOG to spouses Palaganas was improper and not based on the Administrative Complaint considering that it was dismissed for lack of merit. He further posits that the said award was based on the Civil Case which is still pending before the RTC.³⁵

Spouses Palaganas then filed a Motion for Resolution and Entry of Final Judgement³⁶ on September 10, 2009 praying again for the entry of judgment and execution of the February 18, 2008 Resolution of this Court.

On May 30, 2011, this Court issued a Resolution³⁷ noting without action spouses Palaganas's Motion for Entry of Judgment and Issuance of the Writ of Execution. Subsequently on July 15, 2012, spouses Palaganas filed again a Motion for Entry of Judgment and Issuance of Writ of Execution.³⁸

Thereafter, the Court referred the Administrative Case back to the IBP for appropriate action in its Resolution³⁹ dated March 26, 2014. In a

³¹ *Id.* at 166.

³² *Id.* at 167.

³³ *Id.* at 168–171.

³⁴ *Id.* at 172–175.

³⁵ *Id.* at 173.

³⁶ *Id.* at 209–213.

³⁷ *Id.* at 227.

³⁸ *Id.* at 233–234.

³⁹ *Id.* at 249.

Memorandum⁴⁰ dated August 10, 2015, the IBP Director for Bar Discipline Ramon S. Esguerra stated that the IBP “has no authority to order execution much less, issue a writ therefore. [Spouses Palaganas] must go to court to enforce the judgment against [Atty. Panganiban] to pay [them] eighty seven thousand and fifty eight ([PHP] 84,058.00) pesos plus interest from demand.”⁴¹ Pursuant thereto, the IBP, through General Counsel Vicente M. Joyas, issued another Memorandum⁴² dated August 20, 2015 reiterating the August 10, 2015 Memorandum. Further, it clarified that “[if] the [spouses Palaganas] desire to collect the [PHP] 87,058.00, they can go to court and file the appropriate action for collection.”⁴³

The IBP-CBD issued another Report and Recommendation⁴⁴ dated August 3, 2021 reiterating the Resolution No. XVII-2007-223 there being no Motion for Reconsideration from any of the parties. It also emphasized that the award of sum of money to spouses Palaganas is justified since a disciplinary proceeding against lawyers is *sui generis* which is distinct and independent of civil and criminal cases.⁴⁵

Subsequently, the IBP-CBD issued an Order⁴⁶ dated January 28, 2023 requesting spouses Palaganas to provide further information on the status of the Civil Case to avoid the possibility of unjust enrichment as it appears that the subject matter in the Administrative Case is one and the same with the Civil Case. Additionally, the RTC Branch 17 of Malolos City, Bulacan was also requested to provide a copy of the appropriate pleadings pertinent to the Civil Case.⁴⁷

Anent the Civil Case, in a Letter⁴⁸ dated February 8, 2023, Branch Clerk of Court Ma. Annabelle Y. Bustamante-Chungtuyco informed the IBP-CBD that the Civil Case has already been dismissed by the Court. In compliance with the request to furnish appropriate pleadings, a copy of the Order⁴⁹ dated June 11, 2009 dismissing the case for failure to prosecute for an unreasonable length of time, and Entry of Judgment dated September 1, 2009 declaring the dismissal final and executory were attached.

⁴⁰ *Id.* at 252.

⁴¹ *Id.*

⁴² *Id.* at 253.

⁴³ *Id.*

⁴⁴ *Id.* at 289–293.

⁴⁵ *Id.* at 293.

⁴⁶ *Id.* at 257–258.

⁴⁷ *Id.* at 257.

⁴⁸ *Id.* at 269.

⁴⁹ *Id.* at 270–272.

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Finally, the IBP-BOG in its May 13, 2023 Resolution No. CBD-XXV-2023-05-03⁵⁰ recommended this Court to issue an Entry of Judgment and Writ of Execution or direct upon spouses Palaganas's motion, the appropriate trial court to issue the same.⁵¹

Issue

Whether this Court should issue an Entry of Judgment and Writ of Execution to order Atty. Panganiban to pay spouses Palaganas the amount of PHP 87,058.00 plus interest of 12% per annum.

Ruling

This Court adopts the findings of the IBP-BOG insofar as the dismissal of the Administrative Case against Atty. Panganiban but reverses the order to pay spouses Palaganas the amount of PHP 87,058.00 plus interest of 12% per annum from the time demand was made.

The review of the entire records of the case is warranted

Prefatorily, while this Court considers that spouses Palaganas's Motion for Entry of Judgment and Issuance of Writ of Execution was carved out from the Court's Resolution dated February 18, 2008, closing and terminating the administrative proceeding against Atty. Panganiban, the nature of the circumstance surrounding this case calls for the review of the IBP Report and Recommendation, Resolution, as well as scrutiny of the entire records.

To better understand this, Section 12, Rule 139-B of the Rules of Court prior to its amendment, instructs, that the IBP-BOG must review the findings of the investigator and issue a **decision** should the respondent be found exonerated from the charges against him. Too, the administrative case shall also be deemed terminated unless the complainant or other interested party files a petition before this Court within 15 days from notice, viz.:

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

a) Every case heard by an investigator shall be reviewed by the IBP Board of Governors upon the record and evidence transmitted to it by the Investigator with his report. *The **decision** of the Board upon such review shall be in*

⁵⁰ *Id.* at 287--288.

⁵¹ *Id.*

writing and shall clearly and distinctly state the facts and the reasons on which it is based. It shall be promulgated within a period not exceeding thirty (30) days from the next meeting of the Board following the submittal of the Investigator's Report.

....

c) If the respondent is *exonerated* by the Board or the disciplinary sanction imposed by it is less than suspension or disbarment (such as admonition, reprimand, or fine) it shall issue a **decision** exonerating respondent or imposing such sanction. The case shall be deemed **terminated** unless upon petition of the complainant or other interested party filed with the Supreme Court within fifteen (15) days from notice of the Board's resolution, the Supreme Court orders otherwise.

Guided by the foregoing, this Court concludes that *supposedly* court action is unnecessary to close and terminate the Administrative Complaint against Atty. Panganiban on account of spouses Palaganas's failure to timely file a petition before this Court. However, a closer look of the records would show that the IBP-BOG failed to comply with the requirement set forth in Section 12, Rule 139-B, that is why, the review of the entire records of this case is warranted.

To emphasize, what is being required from the IBP-BOG is the issuance of a "**decision**" in writing, explaining clearly and distinctively why the IBP-BOG exonerated Atty. Panganiban from the administrative charges against him. Notably in this case, not only did the IBP-BOG issued a mere one-paragraph Resolution, but the said Resolution also lacked sufficient statement of facts and reasons justifying the dismissal of the Administrative Case against Atty. Panganiban.

In *Saberon v. Atty. Larong*,⁵² We held that the requirement set forth by Section 12 of Rule 139-B serves a very important function not just to inform the parties of the reason for the decision as would enable them on appeal to point out and object to the findings with which they are not in agreement, but also to assure the parties that the Board of Governors has reached the judgment through the process of legal reasoning.⁵³

Due to the IBP-BOG's failure to issue a decision as required by Section 12 of Rule 139-B, the Court is now left with no choice but to painstakingly review the entire records and decide on the merits of Atty. Panganiban's administrative liability or the lack thereof. Apart from the determination of

⁵² 574 Phil. 510, 519–520 (2003) [Per J. Carpio Morales, Second Division].

⁵³ *Id.*

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Atty. Panganiban's administrative liability, this Court will also address some other procedural issues present in this case.

The IBP-BOG Resolution is not a proper subject of Motion for Execution and Entry of Judgment

Section 1, Rule 39 of the Rules of Civil Procedure provides that execution shall issue only upon a judgment or order that disposes of the action or proceeding upon the expiration of the period to appeal therefrom if no appeal has been duly perfected.

Nonetheless, it is also equally important to consider that in administrative proceedings, it is only this Court which has the power to impose disciplinary action on the members of the Bar. The factual findings and recommendations of the Commission on Bar Discipline and the Board of Governors of the IBP are only recommendatory and are subject to review by the Court.⁵⁴

Here, there is no judgment or order that disposes of the Administrative Case to speak of as the February 18, 2008 Resolution of this Court which spouses Palaganas seeks to issue entry of final judgment and execution, did not dispose of the case. To recall, the said Resolution merely **noted** the Resolution No. XVII-2007-223 of the IBP-BOG and thereafter **closed** and **terminated** this case without deciding on its merit. Thus, since it clearly appears that the Court did not render a judgment disposing the Administrative Case, then it follows that there can be neither an issuance of entry of judgment nor execution.

Even so, the Court will now, once and for all, finally resolve the merits of this case.

Atty. Panganiban is not administratively liable

Before delving into the crux of this case, which is the determination of the propriety of the IBP-BOG's order to pay spouses Palaganas the amount of PHP 87,058.00 plus interest of 12% per annum from the time demand was made, the Court deems it proper to first resolve Atty. Panganiban's administrative liability. Spouses Palaganas, in their Administrative Complaint accuses Atty. Panganiban of violating the Lawyer's Oath and Code of

⁵⁴ *Calisay v. Atty. Esplana*, 929 Phil. 1, 5 (2022) [Per J. Gaerlan, Third Division].

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Professional Responsibility by issuing bouncing checks which amounted to deceit and breach of trust.

Section 34(k), Canon VI of the Code of Professional Responsibility and Accountability categorized a member of the legal profession's deliberate failure or refusal to pay just debts as a Less Serious Offense, viz.:

Section 34. *Less serious offenses.* — Less serious offenses include:

....

(k) Deliberate failure or refusal to pay just debts; (Emphasis in the original)

Likewise, in *Mangayan v. Atty. Robielos III*,⁵⁵ We held that the nonpayment of just obligations coupled with issuance of worthless checks by a lawyer, regardless if the issuance was made in a professional or private capacity warrants disciplinary sanction because such acts are indicative of the unfitness of the lawyer for the trust and confidence reposed on him/her and demonstrates a lack of personal honesty and good moral character.⁵⁶

In resolving Atty. Panganiban's administrative liability, it is imperative to determine first who issued the subject checks. During the hearing before the IBP, the identity of the drawer of the subject checks were discussed as follows:

COMM. FUNA:

Iyong UCPB checks were in the name of [Atty. Panganiban]? In his checking account?

MRS. PALAGANAS:

Yes.

COMM. FUNA:

Siya ang nakapangalan doon? May nakaattach ba ditong xerox copy? Did you attach a xerox copy of the checks?

MRS. PALAGANAS:

Yes.

COMM. FUNA:

Anong annex ito? No, no...**but the account name is MLP Construction?**

MRS PALAGANAS:

Yes. That's his construction company but the signatory is. . .

⁵⁵ 922 Phil. 70, 78 (2022) [Per J. Gaerlan, *En Banc*].

⁵⁶ *Id.*

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COMM. FUNA:
Sinong signatory?

MRS. PALAGANAS:
[Atty. Panganiban].⁵⁷ (Emphasis supplied)

After a careful perusal of the records of this case, We hold Atty. Panganiban not administratively liable for the issuance of the subject checks. While it is Atty. Panganiban who signed the checks, it was established during the hearing before the IBP that the checks were drawn by the MLP Construction. Evidently, the loan in question is not personal to Atty. Panganiban but of MLP Construction. As such, We cannot hold Atty. Panganiban personally responsible as well as administratively liable as a lawyer for this transaction even if his signature appears on the subject check as again, it is MLP Construction and **NOT** Atty. Panganiban who is indebted to spouses Palaganas.

Going to the main issue of the case, considering that Atty. Panganiban is found not to be administratively liable, We will now put to rest the issue of whether spouses Palaganas is entitled to entry of judgment and execution of the IBP Resolution.

The Administrative Complaint is not the proper venue to collect unpaid debts

Spouses Palaganas in their Motion for Entry of Judgment and Issuance of Writ of Execution seeks to execute the IBP Resolution dated May 31, 2007 which orders Atty. Panganiban to pay them the balance of PHP 87,058.00. The IBP also consistently ruled in its Report and Recommendations that Atty. Panganiban should be ordered to return the said amount notwithstanding the dismissal of the Administrative Complaint for lack of merit, however, this Court thinks otherwise.

At the outset, it is worth noting that what is before Us is an Administrative Complaint wherein spouses Palaganas, in their Complaint, prayed unto this Court the disbarment or suspension of Atty. Panganiban as a member of the Bar.

At this juncture, it must be stressed that a disbarment case is *sui generis* for it is neither purely civil nor purely criminal but is rather an investigation by the Court into the conduct of its officers.⁵⁸ Hence, in the exercise of its

⁵⁷ Rollo, pp. 95–96.

⁵⁸ *Yoshimura v. Atty. Panagsagan*, 840 Phil. 16, 25 (2018) [*Per Curiam, En Banc*].

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disciplinary powers, the Court 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.⁵⁹

In *Tan v. Atty. Alvarico*,⁶⁰ We pronounced that the primary purpose of administrative disciplinary proceedings against delinquent lawyers is to uphold the law and to prevent the ranks of the legal profession from being corrupted by unscrupulous practices—not to shelter or nurse a wounded ego.⁶¹

On the other hand, Section 3(a) of the Revised Rules on Civil Procedure defined a civil action as one by which a party sues another for the enforcement or protection of a right, or the prevention or redress of a wrong. On this note, the legal remedy available to a creditor to collect unpaid debts from its debtor is to file a personal action for collection suit.

To reiterate, an administrative case against an erring member of the Bar and a civil case for collection of sum of money are proceedings involving different issues that are separate and distinct from each other. A disciplinary proceeding against a lawyer is only confined to the issue of whether or not the respondent-lawyer is still fit to be allowed to continue as a member of the Bar and that the only concern is his or her administrative liability. *Thus, matters which have no intrinsic link to the lawyer's professional engagement, such as the liabilities of the parties which are purely civil in nature, should be threshed out in a proper proceeding of such nature, and not during administrative-disciplinary proceedings, as in this case.*⁶²

While We note that the IBP's Report and Recommendation includes an order for Atty. Panganiban to return the amount of his unpaid debt which spouses Palaganas now seeks to execute, this Court cannot grant the same.

Although the Court, in certain instances, orders a lawyer-respondent to return money or property to a complainant, Canon VI, Section 37 of the Code of Professional Responsibility and Accountability limits its application when the obligation is intrinsically linked to the lawyer-client relationship, viz.:

⁵⁹ *AA Total Learning Center for Young Achievers, Inc. v. Atty. Caronan*, 872 Phil. 564, 576 (2020) [Per J. Hernando, *En Banc*].

⁶⁰ 888 Phil. 345, 365 (2020) [Per C.J. Perska, First Division], citing *Tabuzo v. Atty. Gomos*, 836 Phil. 297, 321 (2018) [Per J. Gesmundo, Third Division].

⁶¹ *Id.*

⁶² *Francisco v. Atty. Real*, 880 Phil. 545, 559 (2020) [Per *Curiam*, *En Banc*].

CANON VI
AccountabilitySection 37. *Sanctions* –

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In all instances, when the offense involves money or property owed, which is intrinsically linked to the lawyer-client relationship, the respondent shall be ordered to return the same.

As We have previously ruled, We find the existence of the lawyer-client relationship between Atty. Panganiban and spouses Palaganas wanting in this case. Too, the obligation was incurred by the MLP Construction and not by Atty. Panganiban although he was the one who issued the checks. Thus, tested against the foregoing criteria, We cannot order Atty. Panganiban to return the amount in question to spouses Palaganas.

In contrast, We firmly pronounced in *Sosa v. Atty. Mendoza*,⁶³ that an administrative proceeding is not the proper venue for the collection of unpaid debt, viz.:

We take exception to the IBP's order to pay only because the case before [U]s is solely an administrative complaint for disbarment and is not a civil action for collection of a sum of money. The quantum of evidence in these two types of cases alone deters us from agreeing with the IBP's order to pay; the administrative complaint before us only requires substantial evidence to justify a finding of liability, while a civil action requires greater evidentiary standard of preponderance of evidence.

A proceeding for suspension or disbarment is not a civil action where the complainant is a plaintiff and the respondent lawyer is a defendant.

Disciplinary proceedings involve no private interest and afford no redress for private grievance. They are undertaken and prosecuted solely for the public welfare.

The purpose of disbarment is mainly to determine the fitness of a lawyer to continue acting as an officer of the [C]ourt and as participant in the dispensation of justice. The purpose of disbarment is to protect the courts and the public from the misconduct of the officers of the court and to ensure the administration of justice by requiring that those who exercise this important function shall be competent, honorable and trustworthy men in whom courts and clients may repose confidence.

....

⁶³ 756 Phil. 490 (2015) [Per J. Brion, Second Division].

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In disciplinary proceedings against lawyers, the only issue is whether the officer of the court is still fit to be allowed to continue as a member of the Bar. Our only concern is the determination of respondent's administrative liability. Our findings have no material bearing on other judicial action which the parties may choose to file against each other. Furthermore, disciplinary proceedings against lawyers do not involve a trial of an action, but rather investigations by the Court into the conduct of one of its officers. The only question for determination in these proceedings is whether or not the attorney is still fit to be allowed to continue as a member of the Bar. Thus, this Court cannot rule on the issue of the amount of money that should be returned to the complainant.⁶⁴ (Citations omitted)

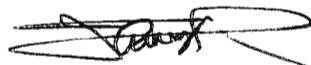
Now, considering that the issue in this case is purely civil in nature, this Court will not pass upon judgment as to whether Atty. Panganiban should be ordered to pay spouses Palaganas the unpaid debt. Spouses Palaganas should properly course its claim to collect the unpaid debt in the proper forum.

Notably, spouses Palaganas were not deprived of their rights in trying to collect against Atty. Panganiban. In fact, they previously availed of the same in the now dismissed civil case for collection of sum of money.

ACCORDINGLY, the Motion for Entry of Judgment and Issuance of Writ of Execution is **DENIED**. Respondent Atty. Mario P. Panganiban is hereby declared **NOT ADMINISTRATIVELY LIABLE** for violation of the Lawyer's Oath and Code of Professional Responsibility and Accountability. Lastly, this case is considered **CLOSED** and **TERMINATED**.

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

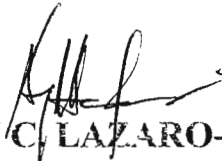
SO ORDERED.




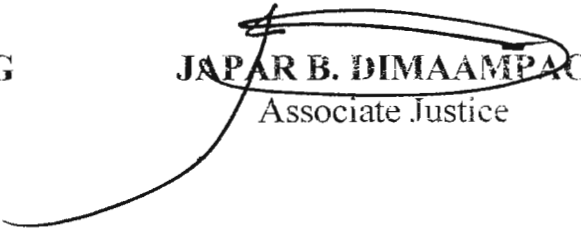
SAMUEL H. GAERLAN
Associate Justice

⁶⁴ *Id.* at 499–501.

WE CONCUR:


AMY C. LAZARO-JAVIER
Associate Justice


HENRI JEAN PAUL B. INTING
Associate Justice
Acting Chairperson


JAPAR B. DIMAAMPAO
Associate Justice


MARIA FILOMENA D. SINGH
Associate Justice