



Republic of the Philippines  
Supreme Court  
Manila

FIRST DIVISION

NOTICE

Sirs/Mesdames:

*Please take notice that the Court, First Division, issued a Resolution dated November 10, 2020 which reads as follows:*

“A.C. No. 11179 (*Lydia Labao-Jimeno v. Atty. Samuel R. Recto*). – The instant disbarment case<sup>1</sup> was filed by complainant Lydia Labao-Jimeno (Lydia) against respondent Atty. Samuel R. Recto (Atty. Recto) for engaging in unlawful, dishonest, and immoral conduct, by committing the following acts: (1) borrowed money from complainant and failed to pay despite demand;<sup>2</sup> (2) slandered complainant in public;<sup>3</sup> (3) removed the jewellerys of complainant’s father in his deathbed without the family’s consent;<sup>4</sup> and (4) harassed a lady interested in renting complainant’s apartment unit<sup>5</sup> in violation of Canon 1, Rule 1.01<sup>6</sup> of the Code of Professional Responsibility (CPR). In addition, the complaint alleged that respondent failed to preserve complainant’s confidence or secrets by using information she provided to respondent during their previous engagement and subsequently using the said information while representing another person in a criminal case against complainant in violation of Canon 21, Rule 21.02 of the CPR.<sup>7</sup>

- over - nine (9) pages...

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<sup>1</sup> Rollo, pp. 2-7.

<sup>2</sup> Id. at 3.

<sup>3</sup> Id.

<sup>4</sup> Id. at 4.

<sup>5</sup> Id. at 3-4.

<sup>6</sup> Canon 1 – A lawyer shall uphold the constitution, obey the laws of the land and promote respect for law and for legal processes.

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

<sup>7</sup> Canon 21 – A lawyer shall preserve the confidences or secrets of his client even after the attorney-client relation is terminated.

Rule 21.02 A lawyer shall not, to the disadvantage of his client, use information acquired in the course of employment, nor shall he use the same to his own advantage or that of a third person, unless the client with full knowledge of the circumstances consents thereto.

Complainant Lydia alleged that she engaged the legal services of Atty. Recto representing Lozana Sanchez (Lozana), a “no-read, no-write” former house helper of Lydia’s parents, for the purpose of protecting the interests of the illegitimate children of Lozana with her late brother, Verne Labao (Verne). Accordingly, Lydia sought Atty. Recto’s help to assist Lozana for the recovery of Verne’s bank account and time deposit at Metrobank- Agusan del Sur. After respondent’s several trips to Metrobank Agusan del Sur, more than ₱1,400,000.00 was released to Lozana on December 29, 2011.<sup>8</sup> According to complainant, she personally shouldered the expenses and Attorney’s fees of Atty. Recto out of compassion for the children of her late brother, as Lozana was both jobless and illiterate.<sup>9</sup>

In addition, Lydia alleged that on June 2011, Atty. Recto borrowed money from her in the amount of ₱270,000.00 for his son’s enrolment at Ateneo de Manila High School. Atty. Recto promised to secure the said loan with a real estate mortgage over his property at Tanauan, Batangas but he reneged on his undertaking.<sup>10</sup> After the law firm of Kapunan, Tamano, Javier and associates sent a demand letter for the payment of loan to Atty. Recto, the situation between them worsened.<sup>11</sup>

On May 18, 2012, after Lydia allegedly engaged the legal services of respondent, Atty. Recto represented Lozana in the qualified theft/estafa case filed against Lydia. Lozana’s affidavit-complaint<sup>12</sup> alleged that after Verne’s death, Placido Labao (Placido), complainant’s and Verne’s father, opened: (1) a Banco De Oro (BDO) dollar deposit of US\$140,981.74 as donation inter vivos to Verne; and (2) a BDO peso deposit in the amount of ₱4,000,000.00 also intended for Verne. Lozana and complainant were made co-signatories in both accounts.<sup>13</sup> However, on December 1, 2011, complainant withdrew and closed the BDO peso deposit account in the amount of ₱643,074.74 by using a blank withdrawal slip signed by Lozana and by bringing Placido in the bank. The following day, December 2, 2011, complainant also withdrew and closed the BDO dollar account with a total amount of ₱141,028.00. The balance of US\$550.00 was also withdrawn on December 16, 2011. Lozana alleged that the peso and dollar deposits were all deposited to complainant’s HSBC Premier account. The City Prosecutor’s office

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<sup>8</sup> Id. at 199.

<sup>9</sup> Id. at 177.

<sup>10</sup> Id at 174.

<sup>11</sup> Id. at 177.

<sup>12</sup> Id. at 30-32.

<sup>13</sup> Id. at 30.

recommended the filing of information for estafa and the case is now pending before the Regional Trial Court (RTC) in Quezon City.<sup>14</sup>

Going back to the instant complaint, Lydia alleged that using the “information and confidences”<sup>15</sup> and “other data/family secrets”<sup>16</sup> she provided to Atty. Recto for the purpose of recovering Verne’s bank accounts, Atty. Recto “orchestrated” the filing of the qualified theft/estafa case against complainant by representing Lozana, in violation of Canon 21, Rule 21.02.<sup>17</sup> According to Lydia, she was the one who told Atty. Recto that Lozana was the common-law wife of Verne, a “no read-no write” house helper of Lydia’s parents, who has three illegitimate children with Verne.<sup>18</sup>

According to complainant, Atty. Recto harassed her by making several reports to the City Engineer’s Office of Quezon City which led to the issuance of a Cease and Desist Order against complainant’s renovation of her apartment unit.<sup>19</sup> Atty. Recto also harassed her by talking to a lady interested in renting her apartment. Atty. Recto said he was causing the demolition of the said unit and the lady should not rent the same if she does not want to have a problem in the future.<sup>20</sup> Complainant also alleged that while her late father, Placido, was dying, Atty. Recto took Placido’s jewellerys without the consent of family members.<sup>21</sup>

Furthermore, in her complaint affidavit,<sup>22</sup> Lydia alleged that on September 26, 2012, she went to her apartment and saw two police cars parked nearby and a crowd of people near her apartment. As she was nearing her apartment, she heard Atty. Recto instructing the police to kick open the gate of the apartment which the police refused to do. Complainant narrated that when she stepped out of the car, Atty. Recto shouted “*Ibalik mo yong 200,000 thousand dollars na ninakaw mo sa akin. Magnanakaw ka. Maputi lang yan, pero magnanakaw yan.*” Complainant answered him “*Wala akong ninakaw sa iyo, Anong nanakawin ko sa iyo ay hindi ka nga makabayad ng*

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<sup>14</sup> Id. at 31-32.

<sup>15</sup> Id. at 2.

<sup>16</sup> Id. 186.

<sup>17</sup> Canon 21 – A lawyer shall preserve the confidences or secrets of his client even after the attorney-client relation is terminated.

Rule 21.02 A lawyer shall not, to the disadvantage of his client, use information acquired in the course of employment, nor shall he use the same to his own advantage or that of a third person, unless the client with full knowledge of the circumstances consents thereto.

<sup>18</sup> *Rollo*, p. 186.

<sup>19</sup> Id. at 177.

<sup>20</sup> Id. at 2-3.

<sup>21</sup> Id. at 3.

<sup>22</sup> Id. at 8-11.

*utang mo sa akin.*”<sup>23</sup> Atty. Recto replied “*Anong utang, wala akong pinirmahan sa iyo. Magpahinog ka.*”<sup>24</sup> Thereafter, Atty. Recto took out calling cards and waved it to complainant saying “*Humanda ka, sa dami ng aking contact at connections ay malapit ka na matapos. Lagot ka sa akin. Ipapakulong kita, malapit na malapit na.*”<sup>25</sup> On that same day, complainant went to the barangay and filed a complaint against Atty. Recto.<sup>26</sup>

Complainant also filed a case for grave oral defamation and grave threat against Atty. Recto which was dismissed by the office of the city prosecutor.<sup>27</sup>

In his Answer<sup>28</sup> and Position Paper,<sup>29</sup> Atty. Recto countered that his client was Lozana and he never acted as Lydia’s lawyer in the past. He narrated being introduced to Lydia by his wife and Alice Labao, Lydia’s sister. It was also Lydia who told him that Lozana was a no read no write individual, former house helper, who had three illegitimate children with Verne.<sup>30</sup> After they were introduced, Lydia told him about Lozana’s problem and asked him to help Lozana and her three children recover the savings and time deposits of Verne in Metrobank, Agusan del Sur. Atty. Recto was able to successfully secure the release of the money to Lozana.

Meanwhile, according to Atty. Recto, when Lydia knew that the money was released to Lozana, Lydia demanded that half of the amount be released to her. Atty. Recto told Lydia that the money cannot be released to her as Verne’s children are all minors and Lydia has to wait until the children attain the age of majority.<sup>31</sup>

After Atty. Recto agreed to handle the case of Lozana, Lydia issued to her a manager’s check in the amount of ₱150,000.00. Since it was enrolment at the time, Atty. Recto requested to make the check payable to Ateneo. He argued that complainant gave an additional ₱73,000.00 for representation and travel expenses for his several trips to Metrobank-Agusan del Sur branch. Atty. Recto denied owing any debt to Lydia. Likewise, he claimed that he never promised

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<sup>23</sup> Id. at 10.

<sup>24</sup> Id.

<sup>25</sup> Id.

<sup>26</sup> Id.

<sup>27</sup> Id. at 205.

<sup>28</sup> Id. at 21-28

<sup>29</sup> Id. at 196-201.

<sup>30</sup> Id. at 21.

<sup>31</sup> Id. at 22.

complainant to execute a real estate mortgage over a property in Tanauan, Batangas because he does not have any property therein.<sup>32</sup>

In addition, Atty. Recto claimed that amount which Lydia gave him was later debited to Lozana's account since complainant had possession of Lozana's bank deposits. Lozana later on informed him that Lydia has withdrawn all the money in Lozana's peso and dollar accounts at BDO, and Lydia thereafter deposited the same to her personal account at the Hong Kong and Shanghai Banking Corporation Premier.<sup>33</sup> Lydia's siblings executed a Joint-Affidavit that the said money belongs to Lozana and her children.<sup>34</sup>

Atty. Recto argued that after learning from Lozana her predicament, he took pity on her and agreed to represent her in the qualified theft/estafa case against Lydia.<sup>35</sup> He argued that Lydia unjustly enriched herself and took advantage of Lozana's ignorance.<sup>36</sup>

Atty. Recto maintained that Before Verne's accident, Verne had a BDO joint account with his father, Placido. After Verne died, Placido and his wife Rosie Labao (Rosie) told Lozana "*Wag kang mag-alala, malaking pera ang naiwan sa inyo ni Verne at hindi namin kayo pababayaan. Lahat ng mga kailangan ninyo lalo na sa pag-aaral ng inyong mga anak ay ibibigay namin sa inyo. Lahat ng pera na naiwan ni Verne ay para sa inyo lamang.*"<sup>37</sup>

Atty. Recto explained that Lozana was very much welcome in the conjugal home of Lydia's parents and it was Lydia who was not allowed to set foot in the home of her parents because Lydia's mother, Rosie, accused her of stealing jewelleryes.<sup>38</sup> It was only after Rosie suffered a diabetic stroke which caused permanent brain damage that Lydia was able to set foot on the conjugal home again. Thereafter, Lydia took over the administration of all the bank deposits of Lozana, Spouses Placido and Rosie Labao's bank deposits as well as the spouses' personal and real properties. Lydia also withdrew the peso and dollar deposits of Placido.<sup>39</sup>

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<sup>32</sup> Id. at 21-22.

<sup>33</sup> Id. at 25.

<sup>34</sup> Id. at 39.

<sup>35</sup> Id. at 84.

<sup>36</sup> Id. at 25.

<sup>37</sup> Id. at 23.

<sup>38</sup> Id.

<sup>39</sup> Id. at 25.

Furthermore, according to Atty. Recto, on 2011 Placido put up a Trust Fund for Verne's children in the amount of ₱1,500,000.00 the amount paid covered an advanced premium for five years. On 2012, Lydia told Lozana that she will withdraw the Trust Fund put up by Placido. Because of this, Atty. Recto advised Lozana not to sign any document which Lydia may use to withdraw the Trust Fund.<sup>40</sup>

Moreover, Atty. Recto denied instructing the police to kick open Lydia's apartment gate. He also argued that complainant's renovation of her apartment unit was without building permit so he notified the Department of Building Officials which led to the issuance of a Cease and Desist Order. Despite this, complainant still proceeded with the renovation.<sup>41</sup>

Lastly, Atty. Recto explained that he removed Placido's jewellerys on his deathbed but he gave the same to Hernan Labao (Hernan), complainant's brother. Hernan executed an affidavit to prove the same.<sup>42</sup>

#### **Recommendation of the IBP Commissioner and Board of Governors**

On July 30, 2014, the Investigating Commissioner submitted a report<sup>43</sup> recommending that Atty. Recto be reprimanded for his improper conduct in denying the existence of lawyer-client relationship between him and complainant. The Commissioner held that Atty. Recto did not deliberately avoid his role as counsel but lacked proper appreciation of what is expected of him as a lawyer. In addition, the Commissioner explained that Atty. Recto's possible monetary obligations may not be resolved in this proceeding but in another venue where evidence will be presented and examined.<sup>44</sup>

On February 21, 2015, the Integrated Bar of the Philippines (IBP) Board of Governors adopted the findings of the Investigating Commissioner with modification. The Board recommended the suspension of Atty. Recto from the practice of law for six months.<sup>45</sup>

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<sup>40</sup> Id. at 23.

<sup>41</sup> Id. at 26.

<sup>42</sup> Id. at 24.

<sup>43</sup> Id. at 234-242.

<sup>44</sup> Id. at 142.

<sup>45</sup> Id. at 232.

### **Ruling of the Court**

The Court disagrees with the IBP. The disbarment complaint should be dismissed.

In suspension or disbarment proceedings, lawyers enjoy the presumption of innocence, and the burden of proof rests upon the complainant to clearly prove the allegations in the complaint by preponderant evidence.<sup>46</sup>

A scrutiny of the records reveals that Lozana was the client of Atty. Recto. Lydia erroneously claimed that she was Atty. Recto's client because she engaged the legal services of Atty. Recto to help Lozana in recovering Verne's bank accounts after his death. To support Lydia's claim, she argued that she paid the expenses and attorney's fees of Atty. Recto.<sup>47</sup> We do not agree. We observed that Lydia merely facilitated the payment of Atty. Recto's Attorney's fees and expenses in behalf of Lozana because Lydia was in possession of Lozana's bank accounts. This is conflicting with Lydia's claims that she personally shouldered the expenses and Attorney's fees of Atty. Recto out of compassion for the children of her late brother, as Lozana was both jobless and illiterate.<sup>48</sup>

Lydia's purported good intention was belied by her act of withdrawing all the money in Lozana's peso and dollar bank accounts and later depositing the amount to her personal bank account. Complainant had no interest in the said subject matter because the bank accounts do not belong to Lydia but are clearly for the benefit of Lozana and Verne's illegitimate children.

As correctly argued by respondent, Lydia unjustly enriched herself and took advantage of Lozana's ignorance whom Lydia described as a "no read, no write". In addition, we are not persuaded with Lydia's unsubstantiated claim that Atty. Recto acted as his lawyer "at one time or another" and he has done some legal work and consultations for Placido and her siblings. There was no detailed explanation as to how Lydia supposedly engaged the services of Atty. Recto as her personal counsel in the past.

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<sup>46</sup> *Jimenez v. Francisco*, 749 Phil. 551, 571 (2014).

<sup>47</sup> *Rollo*, p. 177.

<sup>48</sup> *Id.*

Corollary, complainant failed to prove that the information she provided to Atty. Recto was confidential. A reading of the records would show that the information she disclosed to Atty. Recto pertains to Verne's bank accounts and the fact that Lozana was a former house-helper of the family who later on became Verne's common law wife. To Our mind, these are not considered confidential information. Likewise, there was no proof that Atty. Recto obtained loans from Lydia. We are convinced that the check and money given by Lydia to Atty. Recto constitute his Attorney's fees for accepting to handle Lozana's case.

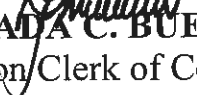
The Court already emphasized that once the lawyer-client relationship commences, the lawyer becomes bound to serve his client with full competence, and committed to attend to its cause with utmost diligence, care and devotion. To accord with the highly fiduciary nature of the lawyer-client relationship, the lawyer must always be mindful of the client's cause and must be diligent in handling the client's legal affairs.<sup>49</sup> Consequently, because Atty. Recto's client was Lozana, it was only expected that he would represent her in the qualified theft/estafa case against Lydia. Likewise, there was no conflict of interest because Lydia was never a client of Atty. Recto.

In this case, the particular acts alleged by Lydia against Atty. Recto, which to her mind, were grounds for disbarment, have no merit and seem too far-fetched.

**WHEREFORE**, the Court **DISMISSES** the disbarment complaint against Atty. Samuel R. Recto for lack of merit.

**SO ORDERED.**” **ZALAMEDA, J.**, on official leave.

**By authority of the Court:**

  
**LIBRADA C. BUENA**  
Division Clerk of Court  
8/11/21

by:

**MARIA TERESA B. SIBULO**  
Deputy Division Clerk of Court  
**143-B**

<sup>49</sup> *Cas v. Librada*, A.C. No. 11956, August 6, 2019.



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