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collections from accumulating to an amount that rendered any loss through untoward incidents such as robbery significant. Petitioner failed to even allege that she exerted effort to obtain additional vaults or to set aside time to deposit her collections to the bank.

For these reasons, petitioner cannot be relieved from liability. A person who is negligent in keeping the funds cannot be relieved from liability.[90]

**WHEREFORE,** the petition is **DENIED.**

**SO ORDERED.**

*Sereno, C.J., Carpio, Velasco, Jr., Leonardo-de Castro, Peralta, Bersamin, del Castillo, Villarama, Jr., Perez, Mendoza, Reyes,* and *Perlas-Bernabe, JJ.*, concur.

*Jardeleza, J.*, no part.

*Brion, J.*, on leave.

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**THIRD DIVISION**

[A.C. No. 10576. January 14, 2015]

**ARCATOMY S. GUARIN,** *complainant, vs.* **ATTY. CHRISTINE A.C. LIMPIN,** *respondent.*

**SYLLABUS**

**1. LEGAL ETHICS; ATTORNEYS; FILING A FALSE GENERAL INFORMATION SHEET (GIS) WITH THE SECURITIES AND EXCHANGE COMMISSION (SEC) CONSTITUTES A VIOLATION OF CANON 1 AND RULE 1.01 OF THE**

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[90] *Id.*

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**CODE OF PROFESSIONAL RESPONSIBILITY (CPR).—** After going through the submissions and stipulations of the parties, we agree with the IBP that there is no indication that Guarin held any share to the corporation and that he is therefore ineligible to hold a seat in the BOD and be the president of the company. It is undisputed that Atty. Limpin filed and certified that Guarin was a stockholder of LCI in the GIS. While she posits that she had made the same in good faith, her certification also contained a stipulation that she made a due verification of the statements contained therein. That Atty. Limpin believed that Guarin would sign a Deed of Assignment is inconsequential: he never signed the instrument. We also note that there was no submission which would support the allegation that Guarin was in fact a stockholder. We thus find that in filing a GIS that contained false information, Atty. Limpin committed an infraction which did not conform to her oath as a lawyer in accord with Canon 1 and Rule 1.01 of the CPR.

**2. ID.; ID.; BEING SWAYED BY A BUSINESS PRACTICE THAT IS CONTRARY TO THE CORPORATION CODE IS A VIOLATION OF RULE 1.02 OF THE CPR.—** We also agree with the IBP that in allowing herself to be swayed by the business practice of having Mr. de los Angeles appoint the members of the BOD and officers of the corporation despite the rules enunciated in the Corporation Code with respect to the election of such officers, Atty. Limpin has transgressed Rule 1.02 of the CPR.

**APPEARANCES OF COUNSEL**

*Mario C. Lorenzo* for complainant.
*Gatchalian Castro & Mawis* for respondent.

**D E C I S I O N**

**VILLARAMA, JR., *J.*:**

Before us is a complaint[1] for disbarment filed by Arcatomy S. Guarin against Atty. Christine Antenor-Cruz Limpin for allegedly

[1] Docketed as CBD Case No. 09-2475. *Rollo*, pp. 2-5.

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filing a false General Information Sheet (GIS) with the Securities and Exchange Commission (SEC) thus violating Canon 1[2] and Rule 1.01[3] of the Code of Professional Responsibility (CPR).

The facts are culled from the pleadings.

In 2004, Guarin was hired by Mr. Celso G. de los Angeles as Chief Operating Officer and thereafter as President of OneCard Company, Inc., a member of the Legacy Group of Companies. He resigned from his post effective August 11, 2008 and transferred to St. Luke's Medical Center as the Vice President for Finance.

On November 27, 2008, Atty. Limpin, the Corporate Secretary of Legacy Card, Inc. (LCI), another corporation under the Legacy Group, filed with the SEC a GIS for LCI for "updating purposes". The GIS[4] identified Guarin as Chairman of the Board of Directors (BOD) and President.

Mired with allegations of anomalous business transactions and practices, on December 18, 2008, LCI applied for voluntary dissolution with the SEC.

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[2] CODE OF PROFESSIONAL RESPONSIBILITY, Canon 1 provides:

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

[3] CODE OF PROFESSIONAL RESPONSIBILITY, Rule 1.01 provides:

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

[4] *Rollo*, p. 10. The November 27, 2008 GIS states as follows:

| CORPORATE NAME: LEGACY CARD, INC. | | | | | |
|---|---|---|---|---|---|
| DIRECTORS / OFFICERS | | | | | |
| NAME | INC'R | BOARD | STOCK HOLDER | OFFICER | EXEC COMM |
| CELSO DE LOS ANGELES, JR. | Y | | Y | N/A | N |
| ARCATOMY S. GUARIN | N | C | Y | PRES | N |
| NAMNAMA D. PASETES | N | M | Y | TREAS | N |
| ERIC PURUGGANAN | N | M | Y | N/A | N |
| ATTY. CHRISTINE A.C. LIMPIN | N | | Y | CORP SEC | N |
| CAROLINA G. HINOLA | N | M | Y | N/A | N |
| ROY A. HILARIO | N | M | Y | N/A | N |

(*Other informations omitted*)

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On July 22, 2009, Guarin filed this complaint with the Integrated Bar of the Philippines Commission on Bar Discipline (IBP CBD) claiming that Atty. Limpin violated Canon 1 and Rule 1.01 of the CPR by knowingly listing him as a stockholder, Chairman of the Board and President of LCI when she knew that he had already resigned and had never held any share nor was he elected as chairperson of the BOD or been President of LCI. He also never received any notice of meeting or agenda where his appointment as Chairman would be taken up. He has never accepted any appointment as Chairman and President of LCI.

Atty. Limpin admits that she filed the GIS with the SEC listing Guarin as a stockholder, the Chairman of the BOD and President of LCI. She argued that the GIS was provisional to comply with SEC requirements. It would have been corrected in the future but unfortunately LCI filed for voluntary dissolution shortly thereafter. She averred that the GIS was made and submitted in good faith and that her certification served to attest to the information from the last BOD meeting held on March 3, 2008.[5]

She asserted that Guarin knew that he was a stockholder. Atty. Limpin said that on October 13, 2008, she sent Guarin a text message and asked him to meet with her so he may sign a Deed of Assignment concerning shareholdings. Guarin responded in the affirmative and said that he would meet with her on Friday, October 17, 2008. Guarin, however, neglected to show up at the arranged time and place for reasons unknown to Atty. Limpin. On the strength of Guarin's positive reply, Atty. Limpin filed the GIS on November 27, 2008.

To belie the claim that LCI never held any board meeting, Atty. Limpin presented Secretary's Certificates dated May 16, 2006,[6] May 22, 2006,[7] and June 13, 2007[8] bearing Guarin's signature.

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[5] *Id*. at 58-60. But see *rollo*, p. 8 where GIS states that Date of Actual Meeting was March 10, 2008.

[6] *Id*. at 66.

[7] *Id*. at 67.

[8] *Id*. at 68.

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Moreover, Atty. Limpin stated that there were pending criminal complaints against the directors and officers of LCI, where she and Guarin are co-respondents: *Senator Roxas, et al. v. Celso de los Angeles, et al.*[9] and *SEC v. Legacy Card, Inc*.[10] In those proceedings, Guarin raised as a defense that the November 27, 2008 GIS was spurious and/or perjured. She averred that this Court held that "when the criminal prosecution based on the same act charged is still pending in court, any administrative disciplinary proceedings for the same act must await the outcome of the criminal case to avoid contradictory findings."[11] During the mandatory preliminary conference, however, both parties stipulated that the complaint filed by Senator Roxas was dismissed as to Guarin.[12]

Lastly, Atty. Limpin contends that Guarin failed to present sufficient evidence to warrant disbarment. She stated that merely presenting the GIS does not constitute as proof of any unethical conduct, harassment and malpractice.

In its Report,[13] the IBP CBD found that Atty. Limpin violated Canon 1, Rules 1.01 and 1.02[14] of the CPR and thus recommended that she be suspended from the practice of law for three months. It noted that based on the submissions of the parties, Guarin was never a stockholder of LCI consequently making him ineligible to be a member of the BOD. Neither was there proof that Guarin acted as the President of LCI but was a mere signatory of LCI's bank accounts. This made the verified statement of Atty. Limpin untrue.[15]

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[9] I.S. No. XV-05-INV-09C-00982.

[10] I.S. No. XVI-INV-09B-0128.

[11] *Rollo*, pp. 57-58.

[12] *Id*. at 93.

[13] *Id*. at 165-168. Penned by Commissioner Eduardo V. De Mesa.

[14] CODE OF PROFESSIONAL RESPONSIBILITY, Rule 1.02 provides:

Rule 1.02. – A lawyer shall not counsel or abet activities aimed at defiance of the law or at lessening confidence in the legal system.

[15] *Rollo*, p. 167.

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Moreover, it was noted that only Mr. Celso de los Angeles had the authority to appoint or designate directors or officers of Legacy. Atty. Limpin was aware that this procedure was not legally permissible. Despite knowing this to be irregular, she allowed herself to be dictated upon and falsely certified that Guarin was a stockholder, chairman and president of the company. The Secretary's Certificates with Guarin's signature Atty. Limpin presented were of no moment since in these Guarin merely acceded to become a signatory of bank accounts and these do not show that Guarin was a stockholder.

The IBP Board of Governors in its April 15, 2013 Resolution[16] adopted *in toto* the CBD Report. Atty. Limpin moved for reconsideration[17] but was denied in the March 21, 2014 Resolution[18] of the IBP Board of Governors.

We adopt the report and recommendation of the IBP. Atty. Limpin has violated Canon 1, Rule 1.01 and Rule 1.02 of the CPR.

Members of the bar are reminded that their first duty is to comply with the rules of procedure, rather than seek exceptions as loopholes.[19] A lawyer who assists a client in a dishonest scheme or who connives in violating the law commits an act which justifies disciplinary action against the lawyer.[20]

Disbarment proceedings are *sui generis* and can proceed independently of civil and criminal cases. As Justice Malcolm stated "[t]he serious consequences of disbarment or suspension should follow only where there is a clear preponderance of evidence against the respondent. The presumption is that the attorney is innocent of the charges pr[o]ferred and has performed his duty as an officer of the court in accordance with his oath."[21]

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[16] *Id*. at 164.

[17] *Id*. at 148-152.

[18] *Id*. at 162-163.

[19] *Suico Industrial Corp. v. Lagura-Yap*, G.R No. 177711, September 5, 2012, 680 SCRA 145, 162.

[20] *Donton v. Atty. Tansingco*, 526 Phil. 1, 5 (2006).

[21] *In re Tionko*, 43 Phil. 191, 194 (1922).

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Grounds for such administrative action against a lawyer may be found in Section 27,[22] Rule 138 of the Rules of Court. Among these are (1) the use of any deceit, malpractice, or other gross misconduct in such office and (2) any violation of the oath which he is required to take before the admission to practice.

After going through the submissions and stipulations of the parties, we agree with the IBP that there is no indication that Guarin held any share to the corporation and that he is therefore ineligible to hold a seat in the BOD and be the president of the company.[23] It is undisputed that Atty. Limpin filed and certified

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[22] RULES OF COURT, Rule 138, Section 27 provides:

SEC. 27. *Disbarment or suspension of attorneys by Supreme Court; grounds therefor*. — A member of the bar may be disbarred or suspended from his office as attorney by the Supreme Court for any deceit, malpractice, or other gross misconduct in such office, grossly immoral conduct, or by reason of his conviction of a crime involving moral turpitude, or for any violation of the oath which he is required to take before admission to practice, or for a wilful disobedience of any lawful order of a superior court, or for corruptly or willfully appearing as an attorney for a party to a case without authority so to do. The practice of soliciting cases at law for the purpose of gain, either personally or through paid agents or brokers, constitutes malpractice.

[23] CORPORATION CODE, Sections 23 and 25, provide:

SEC. 23. *The Board of Directors or Trustees*. – Unless otherwise provided in this Code, the corporate powers of all corporations formed under this Code shall be exercised, all business conducted and all property of such corporations controlled and held by the board of directors or trustees to be elected from among the holders of stocks, or where there is no stock, from among the members of the corporation, who shall hold office for one (1) year until their successors are elected and qualified.

**Every director must own at least one (1) share of the capital stock** of the corporation of which he is a director, which share shall stand in his name on the books of the corporation. Any director who ceases to be the owner of at least one (1) share of the capital stock of the corporation of which he is a director shall thereby cease to be a director. Trustees of nonstock corporations must be members thereof. A majority of the directors or trustees of all corporations organized under this Code must be residents of the Philippines.

SEC. 25. *Corporate officers, quorum*. – Immediately after their election, the directors of a corporation must formally organize by the election of

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that Guarin was a stockholder of LCI in the GIS. While she posits that she had made the same in good faith, her certification also contained a stipulation that she made a due verification of the statements contained therein. That Atty. Limpin believed that Guarin would sign a Deed of Assignment is inconsequential: he never signed the instrument. We also note that there was no submission which would support the allegation that Guarin was in fact a stockholder. We thus find that in filing a GIS that contained false information, Atty. Limpin committed an infraction which did not conform to her oath as a lawyer in accord with Canon 1 and Rule 1.01 of the CPR.

We also agree with the IBP that in allowing herself to be swayed by the business practice of having Mr. de los Angeles appoint the members of the BOD and officers of the corporation despite the rules enunciated in the Corporation Code with respect to the election of such officers, Atty. Limpin has transgressed Rule 1.02 of the CPR.

However, considering the seriousness of Atty. Limpin's action in submitting a false document we see it fit to increase the recommended penalty to six months suspension from the practice of law.

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**a president, who shall be a director**, a treasurer who may or may not be a director, a secretary who shall be a resident and citizen of the Philippines, and such other officers as may be provided for in the bylaws. Any two (2) or more positions may be held concurrently by the same person, except that no one shall act as president and secretary or as president and treasurer at the same time.

The directors or trustees and officers to be elected shall perform the duties enjoined on them by law and by the bylaws of the corporation. Unless the articles of incorporation or the bylaws provide for a greater majority, a majority of the number of directors or trustees as fixed in the articles of incorporation shall constitute a quorum for the transaction of corporate business, and every decision of at least a majority of the directors or trustees present at a meeting at which there is a quorum shall be valid as a corporate act, except for the election of officers which shall require the vote of a majority of all the members of the board.

Directors or trustees cannot attend or vote by proxy at board meetings. (Emphasis supplied)

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**WHEREFORE,** we find respondent Atty. Christine A.C. Limpin **GUILTY** of violation of Canon 1, Rule 1.01 and Rule 1.02 of the Code of Professional Responsibility. Accordingly, we **SUSPEND** respondent Atty. Christine A.C. Limpin from the practice of law for **SIX (6) MONTHS** effective upon finality of this Decision, with a warning that a repetition of the same or similar act in the future will be dealt with more severely.

Let copies of this Decision be furnished the Office of the Bar Confidant to be appended to respondent's personal record as an attorney, the Integrated Bar of the Philippines, the Department of Justice, and all courts in the country for their information and guidance.

**SO ORDERED.**

*Velasco, Jr. (Chairperson), Peralta, Reyes,* and *Jardeleza, JJ.,* concur.

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**FIRST DIVISION**

[G.R. No. 148748. January 14, 2015]

**IMELDA, LEONARDO, FIDELINO, AZUCENA, JOSEFINA, ANITA and SISA, all surnamed SYJUCO,** *petitioners,* **REPUBLIC OF THE PHILIPPINES,** *petitioner-intervenor, vs.* **FELISA D. BONIFACIO and VSD REALTY & DEVELOPMENT CORPORATION,** *respondents.*

**SYLLABUS**

**1. CIVIL LAW; OWNERSHIP; QUIETING OF TITLE; PETITIONERS' ACTION TO QUIET TITLE OVER THE SUBJECT LAND IS A DIRECT ATTACK ON A CERTIFICATE OF TITLE.—** The Court, at the outset, finds