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REPORT OF CASES

DETERMINED IN THE

SUPREME COURT OF THE PHILIPPINES

SECOND DIVISION

[A.C. No. 9868. April 22, 2015]
(Formerly CBD Case No. 05-1617)

ATTY. ALFREDO L. VILLAMOR, JR., *complainant, vs.* **ATTYS. E. HANS A. SANTOS and AGNES H. MARANAN,** *respondents.*

SYLLABUS

LEGAL ETHICS; ATTORNEYS; DECEITFUL CONDUCT OR DECEIT, NOT A CASE OF; ABSENCE OF A CLEAR SHOWING THAT RESPONDENT DEFRAUDED OR MISLED THE TRIAL COURT TO EVADE THE PAYMENT OF PROPER DOCKET FEES.— Contrary to the complainant's allegation that the respondents had defrauded the court, the element of "deceitful conduct" or "deceit" was not present in this case. ***First***, the prayer in the complaint clearly showed that there was a clear and express reference to paragraph 2.27 of the complaint, which listed and described in detail the date of the checks, the check numbers, and their corresponding amounts. ***Second***, there was also an express mention in the prayer of the amount of ₱9.5 Million representing the value of the checks that had already become due. Thus, we find unmeritorious the complainant's claim that the respondents intentionally and deceptively omitted to specify the amount of damages in the prayer. ***Third***, despite the complainant's move for the dismissal of Case No. 70251 on the ground that the proper docket fees were not paid, the RTC Pasig Clerk of Court

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neither reassessed the filing fees, nor required the plaintiff in that case to pay additional filing fees. ***Fourth***, even as of this date, the Court in Civil Case No. 70251 has not issued an order requiring the reassessment, recomputation, and/or payment of additional docket fees, signifying that the RTC Pasig Clerk of Court did not make any mistake in the assessment of the docket fees. ***Fifth***, an examination of the allegations of the complaint and the prayer in Civil Case No. 70251 shows that the case is really an action for specific performance and injunction. The complaint sought to judicially require the complainant to deliver the actual and physical checks enumerated in paragraph 2.27 of the complaint; to compel him to account for the checks that he may have had already encashed; and to restrain him from negotiating, transacting, and encashing the checks in his possession. Clearly, the complaint was an action for specific performance, rather than for a sum of money. Even assuming that the respondents' mere reference to paragraph 2.27 of the complaint does not fully comply with the Manchester doctrine, this Court still finds that it is not a sufficient ground for disbarment. As discussed above, there is no clear showing that the respondents defrauded or misled the RTC Pasig Clerk of Court. Neither was there any proof that the respondents have maliciously disguised their complaint as an action for specific performance and injunction so as to evade the payment of the proper docket fees. Clearly, the complainant's allegation is merely anchored on speculation and conjecture, and hence insufficient to justify the imposition of the administrative penalty of disbarment. We are likewise not convinced that the respondents violated Canon 10 of the Code of Professional Responsibility. The record of the case do not show that the respondents had committed misconduct, dishonesty, falsehood, or had misused the rules of procedure. In the absence of such proof, the presumption of innocence of the lawyer remains and the complaint against him must be dismissed.

APPEARANCES OF COUNSEL

Raul Ibay Tolentino for complainant.
Rivera Santos and Maranan for respondents.

D E C I S I O N

BRION, *J.*:

For the Court's consideration is the disbarment complaint[1] filed by Atty. Alfredo L. Villamor, Jr. (*complainant*) against Attys. E. Hans A. Santos and Agnes H. Maranan (*respondents*) for committing an unethical act in violation of the Code of Professional Responsibility.

Factual Background

In his complaint, the complainant related that the respondents initiated Civil Case No. 70251 for a sum of money before the Regional Trial Court of Pasig City (*RTC Pasig*) and used a deceptive ploy to prevent the payment of the proper docket fees. Knowing that the complaint was actually one for damages, the respondents allegedly disguised the complaint as an action for specific performance and injunction (where the amount involved is incapable of pecuniary estimation) and deliberately omitted to specify the damages prayed for amounting to ₱68,000,000.00 in the prayer of the complaint in order to avoid paying the proper docket fees. According to the complainant, this intentional omission to specify the amount of damages was specifically declared by the Court in *Manchester Development Corporation, et al. v. Court of Appeals*[2] as grossly unethical, and thus constitutes a valid ground for disbarment.[3]

The respondents denied that they deceived the court in Civil Case No. 70251 by making it appear that the case was an action for specific performance and injunction. They claimed that at the time the complaint in Civil Case No. 70251 was filed on January 13, 2005, twelve (12) out of fifteen (15) checks were not yet due and demandable, clearly indicating that the complaint was really an action for specific

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[1] *Rollo*, pp. 1-12.

[2] 149 SCRA 564.

[3] *Rollo*, p. 7.

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performance and injunction, rather than an action for sum of money or damages.[4]

The respondents also claimed that the Manchester doctrine the complainant invoked was modified less than two (2) years after it was announced.[5]

The Investigating Commissioner's Findings

In his Report and Recommendation dated October 29, 2008, IBP Commissioner Wilfredo E.J.E. Reyes found that the respondents did not commit any violation of the code of professional ethics.

According to Commissioner Reyes, there is no showing that the Clerk of Court had been deceived when she assessed the filing fees due on the complaint in Civil Case No. 70251. A reading of the prayer in Civil Case No. 70251 shows that there were clear and unequivocal references to paragraph 2.27 of the complaint, which detailed the amounts of the post-dated checks. There was also a specific reference in the prayer to the amount of ₱9.5 Million representing the value of the checks that had become due.

Moreover, there is no showing that the Clerk of Court had made any mistake in the assessment of the docket fees since the court never issued an order for reassessment or payment of higher docket fees.

Commissioner Reyes recommended that the disbarment case be dismissed for lack of merit.

The IBP Board of Governors' Findings

In a resolution[6] dated December 11, 2008, the Board of Governors of the IBP resolved to adopt and approve the Report and Recommendation of the IBP Commissioner after finding it to be fully supported by the evidence on record, and by the applicable laws and rules.

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[4] *Id*. at 120.

[5] *Id*. at 126.

[6] Notice of Resolution No. XVIII-2008-602.

The complainant moved to reconsider the resolution but the IBP Board of Governors denied his motion in a resolution[7] dated January 3, 2013.

On April 5, 2013, the complainant filed a Petition for Review on Certiorari assailing the IBP's findings. The complainant reiterated that:

(1) The respondents' omission to state, in the prayer of the complaint, the amount claimed in the action is an "unethical practice";

(2) The case filed by the respondents in Civil Case No. 70251 is one for the collection of a sum of money; and

(3) The respondents violated the Code of Professional Responsibility, specifically, Canon 1, Rule 1.01; and Canon 10, Rules 10.01, 10.02, and 10.03.

The Issue

The issue in this case is whether the respondents' omission of the specification of the amount of damages in the prayer of the complaint is unethical, and thereby violative of the Code of Professional Responsibility.

The Court's Ruling

After a careful study of the record, we agree with the findings and recommendations of the IBP Commissioner and the IBP Board of Governors.

The complainant argued that the Investigating Commissioner's Report and Recommendation is contrary to the Court's pronouncement in *Manchester Development Corporation, et al. v. Court of Appeals*.[8] The material portions of the Manchester doctrine provide:

"The Court cannot close this case without making the observation that it frowns at the practice of counsel who filed the original complaint in this case of omitting any specification of the amount of damages

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[7] Notice of Resolution No. XX-2013-09.

[8] *Supra* note 2.

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in the prayer although the amount of over Seventy-Eight Million Pesos (₱78,000,000.00) is alleged in the body of the complaint. This is clearly intended for no other purpose than to evade the payment of the correct filing fees if not to mislead the docket clerk in the assessment of the filing fee."

"The Court serves warning that it will take drastic action upon a repetition of this unethical practice."

In that case, the Court observed that the lawyer's act of omitting any specification of the amount of damages in the prayer of the complaint, although the amount was alleged in its body, "was clearly intended for no other purpose than to evade the payment of the correct filing fees if not to mislead the docket clerk in the assessment of the filing fee."[9] It noted the lawyer's fraudulent act of avoiding payment of the required docket fees, and declared the said act as unethical. Following this pronouncement, the Court required lawyers filing an original complaint to specify the amount of damages prayed for not only in the body of the pleading, but also in the prayer.

After a careful study of the import of the Manchester doctrine and the arguments of the parties, we find – as the Investigating Commissioner did – that the respondents did not commit any violation of the Code of Professional Conduct.

We stress that the main issue in disbarment cases is whether or not a lawyer has committed serious professional misconduct sufficient to cause disbarment. The test is whether the lawyer's conduct shows him or her to be wanting in moral character, honesty, probity, and good demeanor; or whether it renders him or her unworthy to continue as an officer of the court.[10] The burden of proof rests upon the complainant; and the Court will exercise its disciplinary power only if the complainant establishes the complaint with clearly preponderant evidence.[11]

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[9] *Id*.

[10] *Tan, Jr. v. Gumba*, A.C. No. 9000, October 5, 2011, 658 SCRA 527.

[11] *Joven v. Cruz*, A.C. No. 7686, July 31, 2013, 702 SCRA 545.

In the present case, the respondents' administrative liability would depend on the resolution of the following sub-issues: (1) whether the respondents employed a deceptive ploy to avoid payment of the docket fees; (2) whether the respondents' failure to specify the amount of damages in the prayer of the complaint constitutes an unethical practice; and ultimately; (3) whether the respondents violated Canon 1, Rule 1.01 of the Code of Professional Liability.

We agree with the respondents that they did not deceive the court in Civil Case No. 70251 in its assessment of the correct docket fees. Canon 1, Rule 1.01 of the Code of Professional Liability provide:

"CANON 1 – A LAWYER SHALL UPHOLD THE CONSTITUTION, OBEY THE LAWS OF THE LAND AND PROMOTE RESPECT FOR LAW AND FOR LEGAL PROCESSES

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

On the other hand, Canon 10, Rules 10.01, 10.02 and 10.03 provide:

"CANON 10 – A LAWYER OWES CANDOR, FAIRNESS AND GOOD FAITH TO THE COURT.

Rule 10.01 – A lawyer shall not do any falsehood, nor consent to the doing of any in court, **nor shall he misled by any artifice**.

Rule 10.02 – A lawyer shall not knowingly misquote or misrepresent the contents of a paper, the language or the argument of opposing counsel, or the text of a decision or authority, or knowingly cite as law a provision already rendered inoperative by repeal or amendment, or assert as a fact that which has not been proved.

Rule 10.03 – A lawyer shall observe the rules of procedure and shall not misuse them to defeat the ends of justice."

Contrary to the complainant's allegation that the respondents had defrauded the court, the element of "deceitful conduct" or "deceit" was not present in this case.

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First, the prayer in the complaint clearly showed that there was a clear and express reference to paragraph 2.27 of the complaint, which listed and described in detail the date of the checks, the check numbers, and their corresponding amounts.

Second, there was also an express mention in the prayer of the amount of ₱9.5 Million representing the value of the checks that had already become due. Thus, we find unmeritorious the complainant's claim that the respondents intentionally and deceptively omitted to specify the amount of damages in the prayer.

Third, despite the complainant's move for the dismissal of Case No. 70251 on the ground that the proper docket fees were not paid, the RTC Pasig Clerk of Court neither reassessed the filing fees, nor required the plaintiff in that case to pay additional filing fees.

Fourth, even as of this date, the Court in Civil Case No. 70251 has not issued an order requiring the reassessment, recomputation, and/or payment of additional docket fees, signifying that the RTC Pasig Clerk of Court did not make any mistake in the assessment of the docket fees.

Fifth, an examination of the allegations of the complaint and the prayer in Civil Case No. 70251 shows that the case is really an action for specific performance and injunction. The complaint sought to judicially require the complainant to deliver the actual and physical checks enumerated in paragraph 2.27 of the complaint; to compel him to account for the checks that he may have had already encashed; and to restrain him from negotiating, transacting, and encashing the checks in his possession. Clearly, the complaint was an action for specific performance, rather than for a sum of money.

Even assuming that the respondents' mere reference to paragraph 2.27 of the complaint does not fully comply with the Manchester doctrine, this Court still finds that it is not a sufficient ground for disbarment. As discussed above, there is no clear showing that the respondents defrauded or misled the RTC Pasig Clerk of Court. Neither was there any proof that

the respondents have maliciously disguised their complaint as an action for specific performance and injunction so as to evade the payment of the proper docket fees. Clearly, the complainant's allegation is merely anchored on speculation and conjecture, and hence insufficient to justify the imposition of the administrative penalty of disbarment.

We are likewise not convinced that the respondents violated Canon 10 of the Code of Professional Responsibility. The record of the case do not show that the respondents had committed misconduct, dishonesty, falsehood, or had misused the rules of procedure. In the absence of such proof, the presumption of innocence of the lawyer remains and the complaint against him must be dismissed.[12] Viewed in these lights, the disbarment complaint against the respondents Attys. E. Hans A. Santos and Agnes H. Maranan should be dismissed for lack of merit.

WHEREFORE, premises considered, we **DENY** the present petition for review for lack of merit. Accordingly, we **AFFIRM** the IBP Governors' (1) Notice of Resolution No. XVIII-2008-602 dated December 11, 2008; and (2) Notice of Resolution No. XX-2013-09 dated January 3, 2013.

Costs against the petitioner.

SO ORDERED.

Carpio (Chairperson), del Castillo, Mendoza, and *Leonen, JJ.,* concur.

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[12] *Atty. Dela Cruz v. Atty. Diesmos*, 528 Phil. 927, 928-929 (2006).