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In fine, the CA committed no reversible error in holding that PAGCOR had properly observed the requirements of due process in its administrative proceedings against the petitioner.

WHEREFORE, the Court **DENIES** the petition for review on *certiorari*; **AFFIRMS** the decision promulgated on February 27, 2009 by the Court of Appeals; **REQUIRES** the Civil Service Commission to determine the petitioner's appeal on the merits, particularly the issue of whether the dismissal was for cause; and **ORDERS** the petitioner to pay the costs of suit.

SO ORDERED.

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

SECOND DIVISION

[A.C. No. 7965. November 13, 2013]

AZUCENA SEGOVIA-RIBAYA, *complainant, vs.* **ATTY. BARTOLOME C. LAWSIN,** *respondent.*

SYLLABUS

1. LEGAL ETHICS; CODE OF PROFESSIONAL RESPONSIBILITY (CODE); A LAWYER SHOULD NOT WITHHOLD THE PROPERTY OF HIS CLIENT; FAILURE TO PROPERLY ACCOUNT FOR AND DULY RETURN HIS CLIENT'S MONEY DESPITE DUE DEMAND IS TANTAMOUNT TO A VIOLATION OF RULES 16.01 AND 16.03, CANON 16 OF THE CODE; PRESENT IN CASE AT BAR.— The Court agrees with the

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IBP that respondent's failure to properly account for and duly return his client's money despite due demand is tantamount to a violation of Rules 16.01 and 16.03, Canon 16 of the Code. x x x Verily, a lawyer's duty to his client is one essentially imbued with trust so much so that it is incumbent upon the former to exhaust all reasonable efforts towards its faithful compliance. In this case, despite that singular encounter, respondent had thereafter all the opportunity to return the subject amount but still failed to do so. Besides, the obligatory force of said duty should not be diluted by the temperament or occasional frustrations of the lawyer's client, especially so when the latter remains unsatisfied by the lawyer's work. Indeed, a lawyer must deal with his client with professional maturity and commit himself towards the objective fulfilment of his responsibilities. If the relationship is strained, the correct course of action is for the lawyer to properly account for his affairs as well as to ensure the smooth turn-over of the case to another lawyer. Except only for the retaining lien exception under Rule 16.03, Canon 16 of the Code, the lawyer should not withhold the property of his client. Unfortunately, absent the applicability of such exception or any other justifiable reason therefor, respondent still failed to perform his duties under Rules 16.01 and 16.03, Canon 16 of the Code which perforce warrants his administrative liability.

2. **ID.; ID.; A LAWYER SHALL SERVE HIS CLIENT WITH COMPETENCE AND DILIGENCE; NON-COMPLIANCE WITH THE STANDARD OF PROFICIENCY REQUIRED OF A LAWYER IN CASE AT BAR; IMPOSABLE PENALTY.—** The Court, however, deems it proper to increase the IBP's recommended period of suspension from the practice of law from six (6) months to one (1) year in view of his concomitant failure to exercise due diligence in handling his client's cause as mandated by Rules 18.03 and 18.04, Canon 18 of the Code: x x x A LAWYER SHALL SERVE HIS CLIENT WITH COMPETENCE AND DILIGENCE. After a judicious scrutiny of the records, the Court observes that respondent did not only accomplish his undertaking under the retainer, but likewise failed to give an adequate explanation for such non-performance despite the protracted length of time given for him to do so. As such omissions equally showcase

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respondent's non-compliance with the standard of proficiency required of a lawyer as embodied in the above-cited rules, the Court deems it apt to extend the period of his suspension from the practice of law from six (6) months to one (1) year similar to the penalty imposed in the case of *Del Mundo v. Capistrano*.

3. ID.; ID.; FINDINGS DURING ADMINISTRATIVE-DICIPLINARY PROCEEDING HAVE NO BEARING ON THE LIABILITIES OF THE PARTIES INVOLVED WHICH ARE CIVIL IN NATURE; APPLICATION IN CASE AT BAR.— The Court must clarify that the foregoing resolution should not include a directive for the return of the amount of ₱31,500.00 as recommended by the IBP Board of Governors. The same amount was given by complainant to respondent to cover for registration expenses; hence, its return partakes the nature of a purely civil liability which should not be dealt with during an administrative-disciplinary proceeding. In *Tria-Samonte v. Obias*, the Court recently held that its "findings during administrative-disciplinary proceedings have no bearing on the liabilities of the parties involved which are purely civil in nature – meaning, those liabilities which have no intrinsic link to the lawyer's professional engagement – as the same should be threshed out in a proper proceeding of such nature." This pronouncement the Court applies to this case and thus, renders a disposition solely on respondent's administrative liability.

APPEARANCES OF COUNSEL

Yolando F. Lim for complainant.

R E S O L U T I O N

PERLAS-BERNABE, *J.*:

For the Court's resolution is an administrative complaint[1] filed by Azucena Segovia-Ribaya (complainant) against Atty. Bartolome C. Lawsin (respondent), the antecedents of which are detailed as follows:

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[1] *Rollo*, p. 2. Dated July 21, 2008.

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The Facts

On November 18, 2005, the parties entered into a retainership agreement[2] (retainer) whereby respondent undertook to, *inter alia*, process the registration and eventually deliver, within a period of six (6) months, [3] the certificate of title over a certain parcel of land (subject land) in favor of complainant acting as the representative of the Heirs of the late Isabel Segovia. In connection therewith, respondent received from complainant the amounts of ₱15,000.00 and ₱39,000.00[4] to cover for the litigation and land registration expenses, respectively.

Notwithstanding the expenditure of the ₱39,000.00 given for registration expenses (subject amount) and the lapse of more than three (3) years from the retainer's date, complainant alleged that respondent, without proper explanation, failed to fulfill his undertaking to register the subject land and deliver to complainant the certificate of title over the same. As complainant was tired of respondent's excuses, she finally decided to just withdraw the subject amount from respondent. For such purpose, she confronted the latter at his office and also subsequently sent him two (2) demand letters,[5] but all to no avail. [6] Hence, complainant was prompted to file the instant administrative complaint.

In his Comment,[7] respondent admitted that he indeed received the subject amount from complainant but averred that after receiving the same, the latter's brother, Erlindo, asked to be

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[2] *Id*. at 6.

[3] *Id*. at 6 and 73.

[4] While complainant asserted and the retainer indicates that the amount received for the purpose of registration expenses was ₱39,500.00, respondent admitted having received the amount of ₱39,000.00 only. (See respondent's Comment dated October 27, 2008, *id*. at 16.)

[5] *Id*. at 11 and 12. The two (2) demand letters were dated June 21, 2007 and July 2, 2007, respectively.

[6] *Id*. at 73-74.

[7] *Id*. at 16-19.

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reimbursed the amount of ₱7,500.00 which the latter purportedly paid to the land surveyor.[8] Respondent likewise alleged that he later found out that he could not perform his undertaking under the retainer because the ownership of the subject land was still under litigation.[9] Finally, respondent stated that he wanted to return the balance of the subject amount to complainant after deducting what Erlindo took from him, but was only prevented to do so because he was maligned by complainant when she went to his office and there, shouted and called him names in the presence of his staff.[10]

In the Court's Resolutions dated December 17, 2008[11] and March 2, 2009,[12] the case was referred to the Integrated Bar of the Philippines (IBP) for investigation, report, and recommendation. After both parties failed to appear during the mandatory conference, IBP Investigating Commissioner Atty. Salvador B. Hababag (Investigating Commissioner) required the parties to submit their respective position papers.[13] Complainant filed her position paper[14] on October 8, 2009, while respondent failed to do so.

The IBP's Report and Recommendation

On November 6, 2009, the Investigating Commissioner issued his Report and Recommendation,[15] finding respondent to have violated Rules 16.01 and 16.03, Canon 16 of the Code of Professional Responsibility (Code) for his failure to properly account for the money entrusted to him without any adequate explanation why he could not return the same. The Investigating

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[8] *Id*. at 16.

[9] *Id*. at 17.

[10] *Id*. See also *id*. at 74-75.

[11] *Id*. at 30.

[12] *Id*. at 43 and 44.

[13] *Id*. at 51. Order dated September 11, 2009.

[14] *Id*. at 52-61.

[15] *Id*. at 72-78.

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Commissioner found that respondent's acts demonstrated his "lack of candor, fairness, and loyalty to his client, who entrusted him [with] money and documents for [the] registration of the [subject] land."[16] The Investigating Commissioner likewise held that respondent's failure to return the subject amount, despite being given "adequate time to return"[17] the same, "not to mention the repeated x x x demands made upon him,"[18] constitutes "gross dishonesty, grave misconduct, and even misappropriation of money"[19] in violation of the above-stated rules. In view of the foregoing, the Investigating Commissioner recommended that respondent be suspended from the practice of law for a period of six (6) months, with a stern warning that a repetition of the same or similar offenses in the future shall be dealt with more severely.[20]

In a Resolution[21] dated December 29, 2012, the IBP Board of Governors adopted and approved the Investigating Commissioner's Report and Recommendation with modification, ordering the return of the amount of ₱31,500.00,[22] with legal interest and within thirty (30) days from receipt of notice, to complainant.

The Issue Before the Court

The essential issue in this case is whether or not respondent should be held administratively liable for violating Rules 16.01 and 16.03, Canon 16 of the Code.

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[16] *Id*. at 76.

[17] *Id*.

[18] *Id*.

[19] *Id*. at 77.

[20] *Id*. at 78.

[21] *Id.* at 71. IBP Resolution No. XX-2012-629.

[22] The balance from the amount respondent admittedly received from complainant, *i.e.*, ₱39,000.00, minus the amount of ₱7,500.00, which the former purportedly reimbursed to the latter's brother, Erlindo.

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The Court's Ruling

The Court concurs with and affirms the findings of the IBP anent respondent's administrative liability but deems it proper to: (*a*) extend the recommended period of suspension from the practice of law from six (6) months to one (1) year; and (*b*) delete the recommended order for the return of the amount of ₱31,500.00.

Anent respondent's administrative liability, the Court agrees with the IBP that respondent's failure to properly account for and duly return his client's money despite due demand is tantamount to a violation of Rules 16.01 and 16.03, Canon 16 of the Code which respectively read as follows:

CANON 16 – A LAWYER SHALL HOLD IN TRUST ALL MONEYS AND PROPERTIES OF HIS CLIENT THAT MAY COME INTO HIS POSSESSION.

Rule 16.01 – A lawyer shall account for all money or property collected or received for or from the client.

Rule 16.03 – A lawyer shall deliver the funds and property of his client when due or upon demand. However, he shall have a lien over the funds and may apply so much thereof as may be necessary to satisfy his lawful fees and disbursements, giving notice promptly thereafter to his client. He shall also have a lien to the same extent on all judgments and executions he has secured for his client as provided for in the Rules of Court.

Records disclose that respondent admitted the receipt of the subject amount from complainant to cover for pertinent registration expenses but posited his failure to return the same due to his client's act of confronting him at his office wherein she shouted and called him names. With the fact of receipt being established, it was then respondent's obligation to return the money entrusted to him by complainant. To this end, suffice it to state that complainant's purported act of "maligning" respondent does not justify the latter's failure to properly account for and return his client's money upon due demand. Verily, a lawyer's duty to his client is one essentially imbued with trust

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so much so that it is incumbent upon the former to exhaust all reasonable efforts towards its faithful compliance. In this case, despite that singular encounter, respondent had thereafter all the opportunity to return the subject amount but still failed to do so. Besides, the obligatory force of said duty should not be diluted by the temperament or occasional frustrations of the lawyer's client, especially so when the latter remains unsatisfied by the lawyer's work. Indeed, a lawyer must deal with his client with professional maturity and commit himself towards the objective fulfilment of his responsibilities. If the relationship is strained, the correct course of action is for the lawyer to properly account for his affairs as well as to ensure the smooth turn-over of the case to another lawyer. Except only for the retaining lien exception[23] under Rule 16.03, Canon 16 of the Code, the lawyer should not withhold the property of his client. Unfortunately, absent the applicability of such exception or any other justifiable reason therefor, respondent still failed to perform his duties under Rules 16.01 and 16.03, Canon 16 of the Code which perforce warrants his administrative liability.

The Court, however, deems it proper to increase the IBP's recommended period of suspension from the practice of law from six (6) months to one (1) year in view of his concomitant failure to exercise due diligence in handling his client's cause as mandated by Rules 18.03 and 18.04, Canon 18 of the Code:

CANON 18 — A LAWYER SHALL SERVE HIS CLIENT WITH COMPETENCE AND DILIGENCE.

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[23] "An attorney's lien is of two kinds: one is called retaining a lien and the other charging lien. The retaining lien is the right of the attorney to retain the funds, documents, and papers of his client which have lawfully come into his possession until his lawful fees and disbursements have been paid and to apply such funds to the satisfaction thereof. The charging lien is the right which the attorney has upon all judgments for the payment of money, and executions issued in pursuance of said judgments, which he has secured in litigation of his client. Under this rule, this lien, whether retaining or charging, takes legal effect only from and after, but not before, notice of said lien has been entered in the record and served on the adverse party." (*Caiña v. Hon. Victoriano*, 105 Phil. 194, 196 [1959]; citations omitted)

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Rule 18.03 — A lawyer shall not neglect a legal matter entrusted to him, and his negligence in connection therewith shall render him liable.

Rule 18.04 — A lawyer shall keep the client informed of the status of his case and shall respond within a reasonable time to the client's request for information.

After a judicious scrutiny of the records, the Court observes that respondent did not only accomplish his undertaking under the retainer, but likewise failed to give an adequate explanation for such non-performance despite the protracted length of time given for him to do so. As such omissions equally showcase respondent's non-compliance with the standard of proficiency required of a lawyer as embodied in the above-cited rules, the Court deems it apt to extend the period of his suspension from the practice of law from six (6) months to one (1) year similar to the penalty imposed in the case of *Del Mundo v. Capistrano*.[24]

As a final point, the Court must clarify that the foregoing resolution should not include a directive for the return of the amount of ₱31,500.00 as recommended by the IBP Board of Governors. The same amount was given by complainant to respondent to cover for registration expenses; hence, its return partakes the nature of a purely civil liability which should not be dealt with during an administrative-disciplinary proceeding. In *Tria-Samonte v. Obias*,[25] the Court recently held that its "findings during administrative-disciplinary proceedings have no bearing on the liabilities of the parties involved which are purely civil in nature – meaning, those liabilities which have no intrinsic link to the lawyer's professional engagement – as

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[24] The Court, in view of the lawyer's admission of his failure to act on his client's case as well as to account and return the funds entrusted to him, found the latter to have violated Rules 16.01 and 16.03, Canon 16 and Rules 18.03 and 18.04, Canon 18 of the Code and accordingly, suspended him from the practice of law for one (1) year. (See A.C. No. 6903, April 16, 2012, 669 SCRA 462.)

[25] As noted in this case, "[a]n example of a liability which has an intrinsic link to the professional engagement would be a lawyer's acceptance fees." (A.C. No. 4945, October 8, 2013.)

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the same should be threshed out in a proper proceeding of such nature." This pronouncement the Court applies to this case and thus, renders a disposition solely on respondent's administrative liability.

WHEREFORE, respondent Atty. Bartolome C. Lawsin is found guilty of violating Rules 16.01 and 16.03, Canon 16, and Rules 18.03 and 18.04, Canon 18 of the Code of Professional Responsibility. Accordingly, he is hereby **SUSPENDED** from the practice of law for a period of one (1) year, effective upon his receipt of this Resolution, with a stern warning that a repetition of the same or similar acts will be dealt with more severely.

Let a copy of this Resolution be furnished the Office of the Bar Confidant, the Integrated Bar of the Philippines, and the Office of the Court Administrator for circulation to all the courts.

SO ORDERED.

Carpio (Chairperson), Brion, del Castillo, and *Perez, JJ.*, concur.

SECOND DIVISION

[A.C. No. 8954. November 13, 2013]

HON. MARIBETH RODRIGUEZ-MANAHAN, Presiding Judge, Municipal Trial Court, San Mateo, Rizal, *complainant, vs.* **ATTY. RODOLFO FLORES,** *respondent.*

SYLLABUS

1. POLITICAL LAW; JUDICIARY; COURT ORDERS ARE TO BE RESPECTED, NOT BECAUSE THE JUDGES WHO ISSUE