Supreme Court E-Library



**SECOND DIVISION**

[A.C. No. 9395. November 12, 2014]

**DARIA O. DAGING,** *complainant, vs.* **ATTY. RIZ TINGALON L. DAVIS,** *respondent.*

**SYLLABUS**

**LEGAL ETHICS; ATTORNEYS; CONFLICT OF INTEREST; A LAWYER SHALL NOT REPRESENT CONFLICTING INTERESTS EXCEPT BY WRITTEN CONSENT OF ALL CONCERNED GIVEN AFTER A FULL DISCLOSURE OF THE FACTS.—** Based on the established facts, it is indubitable that respondent transgressed Rule 15.03 of Canon 15 of the Code of Professional Responsibility. It provides: Rule 15.03 – A lawyer shall not represent conflicting interests except by written consent of all concerned given after a full disclosure of the facts. "A lawyer may not, without being guilty of professional misconduct, act as counsel for a person whose interest conflicts with that of his present or former client." The prohibition against representing conflicting interests is absolute and the rule applies even if the lawyer has acted in good faith and with no intention to represent conflicting interests. In *Quiambao v. Atty. Bamba*, this Court emphasized that lawyers are expected not only to keep inviolate the client's confidence, but also to avoid the appearance of treachery and double-dealing for only then can litigants be encouraged to entrust their secrets to their lawyers, which is of paramount importance in the administration of justice.

**APPEARANCES OF COUNSEL**

*Judy Calsi* for petitioner.
*Davis Lawlao & Pasiwen Law Office* for respondent.

Supreme Court E-Library



## R E S O L U T I O N

**DEL CASTILLO, *J.*:**

This administrative complaint for disbarment arose from an Affidavit Complaint[1] filed by Daria O. Daging (complainant) before the Integrated Bar of the Philippines (IBP), Benguet Chapter,[2] against Atty. Riz Tingalon L. Davis (respondent).

***Antecedents***

Complainant was the owner and operator of Nashville Country Music Lounge. She leased from Benjie Pinlac (Pinlac) a building space located at No. 22 Otek St., Baguio City where she operated the bar.

Meanwhile, complainant received a Retainer Proposal[3] from Davis & Sabling Law Office signed by respondent and his partner Atty. Amos Saganib Sabling (Atty. Sabling). This eventually resulted in the signing by the complainant, the respondent and Atty. Sabling of a Retainer Agreement[4] dated March 7, 2005.

Because complainant was delinquent in paying the monthly rentals, Pinlac terminated the lease. Together with Novie Balageo (Balageo) and respondent, Pinlac went to complainant's music bar, inventoried all the equipment therein, and informed her that Balageo would take over the operation of the bar. Complainant averred that subsequently respondent acted as business partner of Balageo in operating the bar under her business name, which they later renamed Amarillo Music Bar.

Complainant likewise alleged that she filed an ejectment case against Pinlac and Balageo before the Municipal Trial Court

---

[1] *Rollo*, pp. 3-5.

[2] The Complaint was subsequently referred to the IBP Commission on Bar Discipline.

[3] *Rollo*, pp. 6-7.

[4] *Id*. at 8-10.

Supreme Court E-Library



in Cities (MTCC), Branch 1, Baguio City. At that time, Davis & Sabling Law Office was still her counsel as their Retainer Agreement remained subsisting and in force. However, respondent appeared as counsel for Balageo in that ejectment case and filed, on behalf of the latter, an Answer with Opposition to the Prayer for the Issuance of a Writ of Preliminary Injunction.[5]

In his Comment,[6] respondent denied participation in the takeover or acting as a business partner of Balageo in the operation of the bar. He asserted that Balageo is the sole proprietress of the establishment. He insisted that it was Atty. Sabling, his partner, who initiated the proposal and was in fact the one who was able to convince complainant to accept the law office as her retainer. Respondent maintained that he never obtained any knowledge or information regarding the business of complainant who used to consult only Atty. Sabling. Respondent admitted though having represented Balageo in the ejectment case, but denied that he took advantage of the Retainer Agreement between complainant and Davis and Sabling Law Office. Thus:

> 3.a Prior to the engagement of the Complainant of the DAVIS and SABLING LAW OFFICE as her retainer, Novie Balageo was already one of the Clients of Respondent in several cases;
>
> 3.b Sometime in the last week of the month of May 2005, while Respondent was in his office doing some legal works, Novie Balageo called up Respondent informing the latter that his assistance is needed for purposes of conducting an inventory of all items at the former Nashville Country Music Lounge;
>
> 3.c Respondent [asked] Novie Balageo [the purpose of] the inventory [to which] the latter x x x responded x x x that she entered [into] a lease contract with the present administrator of the building, Benjie Pinlac;
>
> 3.d Respondent, to his disbelief requested Novie Balageo to go [to] the LAW OFFICE for further clarification of the matter. Thereafter,

---

[5] *Id.* at 94-101.

[6] *Id.* at 46-51.

Supreme Court E-Library



Respondent was later informed that the business of Complainant was taken over and operated by Mr. Benjie Pinlac for seven days. Furthermore, Mr. Benjie Pinlac offered the said place to Novie Balageo which the latter readily accepted;

3.e [Left] with no recourse, Respondent requested one of his staff to assist Novie Balageo in conducting an inventory. Furthermore, Respondent never acted as partner of Novie Balageo in operating the former Nashville Country Music Lounge;

3.f When Complainant filed the civil case for Ejectment against Novie Balageo and Benjie Pinlac, Respondent represented the former thereof without taking advantage of the retainership contract between the DAVIS and SABLING LAW OFFICE [and] Complainant as Respondent has no knowledge or information of any matters related by complainant to Atty. Sabling regarding the former's business;

3.g While the Complaint was pending, respondent was x x x informed by Novie Balageo and Benjie Pinlac of the truth of all matters x x x which x x x Respondent [was unaware of];

3.h However, for the interest of justice and fair play, x x x Respondent [deemed it prudent] to x x x withdraw as Counsel for Novie Balageo. Hence, Respondent filed his Motion to Withdraw As Counsel. x x x

3.i The civil case was subsequently dismissed for lack of jurisdiction over the [Complaint's] subject matter. x x x[7]

On October 15, 2008, the Investigating Commissioner rendered a Report and Recommendation[8] finding respondent guilty of betrayal of his client's trust and for misuse of information obtained from his client to the disadvantage of the latter and to the advantage of another person. He recommended that respondent be suspended from the practice of law for a period of one year.

On December 11, 2008, the IBP Board of Governors adopted and approved the Report and Recommendation of the Investigating Commissioner.[9] Upon motion of the respondent,

---

[7] *Id*. at 48-49.

[8] *Id*. at 142-145.

[9] See Notice of Resolution, *id*. at 141.

Supreme Court E-Library



it reduced the penalty imposed to six months suspension considering that there is no proof that respondent actually handled any previous legal matters involving complainant.[10]

**Our Ruling**

It is undisputed that complainant entered into a Retainer Agreement dated March 7, 2005 with respondent's law firm. This agreement was signed by the respondent and attached to the *rollo* of this case. And during the subsistence of said Retainer Agreement, respondent represented and defended Balageo, who was impleaded as one of the defendants in the ejectment case complainant filed before the MTCC of Baguio City. In fact, respondent filed on behalf of said Balageo an Answer with Opposition to the Prayer for the Issuance of a Writ of Preliminary Injunction dated July 11, 2005. It was only on August 26, 2005 when respondent withdrew his appearance for Balageo.

Based on the established facts, it is indubitable that respondent transgressed Rule 15.03 of Canon 15 of the Code of Professional Responsibility. It provides:

> Rule 15.03 – A lawyer shall not represent conflicting interests except by written consent of all concerned given after a full disclosure of the facts.

"A lawyer may not, without being guilty of professional misconduct, act as counsel for a person whose interest conflicts with that of his present or former client."[11] The prohibition against representing conflicting interests is absolute and the rule applies even if the lawyer has acted in good faith and with no intention to represent conflicting interests.[12] In *Quiambao v. Atty. Bamba*,[13] this Court emphasized that lawyers are expected

---

[10] Resolution dated January 15, 2012, *id*. at 161.

[11] *Nuique v. Sedillo*, A. C. No. 9906, July 29, 2013, 702 SCRA 317, 325.

[12] *Orola v. Ramos*, A.C. No. 9860, September 11, 2013, 705 SCRA 350, 358-359.

[13] 505 Phil. 126 (2005).

Supreme Court E-Library



not only to keep inviolate the client's confidence, but also to avoid the appearance of treachery and double-dealing for only then can litigants be encouraged to entrust their secrets to their lawyers, which is of paramount importance in the administration of justice.[14]

Respondent argues that while complainant is a client of Davis & Sabling Law office, her case is actually handled only by his partner Atty. Sabling. He was not privy to any transaction between Atty. Sabling and complainant and has no knowledge of any information or legal matter complainant entrusted or confided to his law partner. He thus inveigles that he could not have taken advantage of an information obtained by his law firm by virtue of the Retainer Agreement.

We are not impressed. In *Hilado v. David*,[15] reiterated in *Gonzales v. Atty. Cabucana, Jr.*,[16] this Court held that a lawyer who takes up the cause of the adversary of the party who has engaged the services of his law firm brings the law profession into public disrepute and suspicion and undermines the integrity of justice. Thus, respondent's argument that he never took advantage of any information acquired by his law firm in the course of its professional dealings with the complainant, even assuming it to be true, is of no moment. Undeniably aware of the fact that complainant is a client of his law firm, respondent should have immediately informed both the complainant and Balageo that he, as well as the other members of his law firm, cannot represent any of them in their legal tussle; otherwise, they would be representing conflicting interests and violate the Code of Professional Responsibility. Indeed, respondent could have simply advised both complainant and Balageo to instead engage the services of another lawyer.

The penalty for representing conflicting interests may either be reprimand or suspension from the practice of law ranging

---

[14] *Id.* at 133.

[15] 84 Phil. 569, 579 (1949).

[16] 515 Phil. 296, 306 (2006).

Supreme Court E-Library



from six months to two years.[17] We thus adopt the recommendation of the IBP Board of Governors.

**WHEREFORE,** the Court **ADOPTS and AFFIRMS** the January 15, 2012 Resolution of the Integrated Bar of the Philippines Board of Governors. Atty. Riz Tingalon L. Davis is found **GUILTY** of violating Rule 15.03, Canon 15 of the Code of Professional Responsibility and is hereby **SUSPENDED** from the practice of law for a period of six (6) months effective upon receipt of this Resolution. He is warned that a commission of the same or similar offense in the future will result in the imposition of a stiffer penalty.

Let a copy of this Resolution be entered into the records of Atty. Riz Tingalon L. Davis and furnished to the Office of the Clerk of Court, the Office of the Bar Confidant, the Integrated Bar of the Philippines, and all courts in the Philippines, for their information and guidance.

Atty. Riz Tingalon L. Davis is **DIRECTED** to inform the Court of the date of his receipt of this Resolution.

**SO ORDERED.**

*Carpio (Acting C.J.),*[*] *Brion, Mendoza,* and *Leonen, JJ.,* concur.

---

[17] *Nuique v. Sedillo, supra* note 11 at 328.

[*] Per Special Order No. 1860 dated November 4, 2014.