



Republic of the Philippines  
Supreme Court  
Manila

EN BANC

LUZVIMINDA S. CERILLA,  
Complainant,

A.C. No. 11483

Present:

SERENO, C.J.,  
CARPIO,  
VELASCO, JR.,  
LEONARDO-DE CASTRO,  
PERALTA,  
BERSAMIN,  
DEL CASTILLO,  
PERLAS-BERNABE,  
LEONEN,  
JARDELEZA,  
CAGUIOA,  
MARTIRES,  
TIJAM,  
REYES, and  
GESMUNDO, JJ.

- versus -

ATTY. SAMUEL SM. LEZAMA,  
Respondent.

Promulgated:

October 3, 2017

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*Peralita-Armen*-----X

RESOLUTION

PERALTA, J.:

On November 22, 2010, complainant Luzviminda S. Cerilla filed an administrative complaint<sup>1</sup> for gross misconduct against respondent Atty. Samuel SM. Lezama with the Integrated Bar of the Philippines (IBP).

<sup>1</sup> Administrative Case No. 10-2832, rollo, pp. 2-6.

*d*

In her Complaint, complainant stated that she is one of the co-owners of a parcel of land located at *Barangay Poblacion*, Municipality of Sibulan, Negros Oriental, with an area of 730 square meters. The said property is covered by TCT No. 1-20416 and registered in the name of Fulquerio Gringio. It was later sold by his sole heir, Pancracio A. Gringio, to the heirs of Fabio<sup>2</sup> Solmayor, including the herein complainant. Being a co-owner of the subject property, complainant engaged the services of respondent to file an unlawful detainer case against Carmelita S. Garlito with the Municipal Trial Court (*MTC*) of Sibulan, Negros Oriental. At that time, the complainant was working at Camp Aguinaldo, Quezon City, and for this reason, she executed a Special Power of Attorney (*SPA*) in favor of the respondent to perform the following acts, to wit:

- (1) To represent and act on my behalf in filing a case of ejectment against Lita Garlito of Sibulan, Negros Oriental;
- (2) To appear on my behalf during the preliminary conference in Civil Case No. 497-04 and to make stipulations of facts, admissions and other matters for the early resolution of the same including amicable settlement of the case if necessary.<sup>3</sup>

Complainant said that on the basis of the SPA, respondent entered into a compromise agreement with the defendant in the unlawful detainer case to sell the subject property of the complainant for ₱350,000.00 without her consent or a special authority from her. Paragraph 2 of the Compromise Agreement dated January 31, 2005 states:

2. The plaintiff is willing to sell [the] property in question to the defendant in the amount of ₱350,000.00 within a period of three months beginning February 1, 2005 up to April 30, 2005, the payment of which shall be paid in one setting.<sup>4</sup>

The Compromise Agreement was approved by the MTC of Sibulan, Negros Oriental in an Order<sup>5</sup> dated January 31, 2005. Subsequently, a Motion for Execution<sup>6</sup> dated June 2, 2005 was filed due to complainant's failure to comply with the terms and conditions set forth in the compromise agreement, as complainant refused to execute a Deed of Sale. The MTC issued a Writ of Execution<sup>7</sup> on June 10, 2005.

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<sup>2</sup> Also spelled as "Favio" in another case.

<sup>3</sup> *Rollo*, p. 69.

<sup>4</sup> *Id.* at 15.

<sup>5</sup> *Id.* at 16.

<sup>6</sup> *Id.* at 17.

<sup>7</sup> *Id.* at 19.



Complainant contended that respondent misrepresented in paragraph 2 of the Compromise Agreement that she was willing to sell the subject property for ₱350,000.00. Complainant averred that she did not authorize the respondent to sell the property and she is not willing to sell the property in the amount of ₱350,000.00, considering that there are other co-owners of the property.

Complainant contended that by entering into the compromise agreement to sell the subject property without any special power to do so, respondent committed gross misconduct in the discharge of his duties to his client. She asserted that respondent's misconduct was the proximate cause of the loss of the subject property in the ejectment case, which prejudiced her and the other co-owners, as respondent knew that the ejectment case was filed by her for the benefit of all the co-owners of the property.

According to complainant, the subject property is located near the Municipal Hall and town plaza of the Municipality of Sibulan, Negros Oriental and the property's market value is not less than ₱1,500,000.00. Since respondent sold the property for only ₱350,000.00, she (complainant) and the other co-owners suffer actual loss.

Complainant contended that respondent's act of entering into the compromise agreement with the misrepresentation that she was willing to sell the property in the unlawful detainer case without her consent or conformity, which caused her material damage, warrants respondent's suspension or disbarment.

In his Answer,<sup>8</sup> respondent denied complainant's allegation that he misrepresented that complainant was willing to sell the property in the amount of ₱350,000.00, since he was duly armed with an SPA to enter into a compromise agreement, and the price of ₱350,000.00 was the actual price paid by the complainant to the owner of the property.

Respondent contended that complainant has no cause of action against him for the following reasons:

- (a) The SPA dated December 27, 2004 was executed by the complainant in favor of the respondent due to her inability to attend every hearing of the unlawful detainer case;
- (b) The SPA contains the sentence under number 2: "including amicable settlement of the case if necessary";

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<sup>8</sup> *Id.* at 21.



- (c) During the preliminary conference of the unlawful detainer case, the respondent requested Presiding Judge Rafael Cresencio C. Tan, Jr. to allow him to contact the complainant by mobile phone before any compromise agreement could be executed. Respondent tried several times to contact complainant to no avail during the recess. When the case was called again, he requested a resetting, but the Presiding Judge insisted on a compromise agreement to be submitted because respondent was armed with the necessary SPA anyway, and the result was the Compromise Agreement of January 31, 2005;
- (d) Upon the signing of the Compromise Agreement, respondent was able to contact complainant, who objected to the agreement because the amount of ₱350,000.00 was small;
- (e) After writing a letter of repudiation to the counsel of the defendant in the unlawful detainer case, respondent filed a *Manifestation* dated February 24, 2005 with the MTC of Sibulan, attaching therewith the letter of repudiation, and he also filed a *Motion to Set Aside Order and to Annul Compromise Agreement*<sup>9</sup> (on the ground of mistake). However, the MTC denied the said motion in an Order<sup>10</sup> dated May 30, 2005. Respondent filed a motion for reconsideration, which was also denied by the MTC;
- (f) In 2006, the heirs of Favio Solmayor filed another unlawful detainer case over the same property with the same MTC against the same defendant, which was dismissed by the court on the ground of *res judicata*;<sup>11</sup> and
- (g) In 2008, complainant filed a civil case<sup>12</sup> for annulment of judgment/quieting of title, recovery of possession and damages against Carmelita S. Garlito, respondent Atty. Lezama and the MTC of Sibulan, Negros Oriental, and the case is still pending before the Regional Trial Court of Dumaguete City, Branch 35, Negros Oriental.<sup>13</sup>

Further, respondent stated that the payment for the property in the amount of ₱350,000.00 is under the custody of the MTC of Sibulan, although the money was deposited with the Philippine Veterans Bank by defendant Carmelita S. Garlito, who opened an account in respondent's name. Respondent stated that he has never touched the said deposit.

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<sup>9</sup> *Id.* at 28.

<sup>10</sup> *Id.* at 30.

<sup>11</sup> *Id.* at 31-38.

<sup>12</sup> *Id.* at 40-46.

<sup>13</sup> *Id.* at 22-24.

Respondent contended that the SPA given to him by the complainant was sufficient authority to enter into the said compromise agreement. The amount of ₱350,000.00 was the price of the subject property, because the complainant paid the same amount for the purchase of the property from the Gringio family.

According to the respondent, he entered into the compromise agreement under the honest and sincere belief that it was the fairest and most equitable arrangement. Under the present policy of the Court, parties should endeavor to settle their differences (in civil cases, at least) amicably. To penalize lawyers for their judgment calls in cases where they are armed with authority to settle would wreck havoc on our system of litigation, making them hesitant, apprehensive and wary that their clients might file disciplinary cases against them for the slightest reasons. While the filing of such complaint is part of the professional hazards of lawyering, the same should only be anchored on the most serious misconduct of lawyers, which respondent does not believe is present in this case. Hence, respondent prayed for the dismissal of the complaint.

On June 10, 2011, the IBP Commission on Bar Discipline held a mandatory conference with the parties, who were required to submit their respective Position Papers thereafter.

### **The Commissioner's Report**

On June 28, 2013, Investigating Commissioner Jose I. De La Rama, Jr. submitted his Report,<sup>14</sup> finding respondent guilty of violating Canons 15 and 17 of the Code of Professional Responsibility and recommending that respondent be suspended from the practice of law for a period of two (2) years.

The Investigating Commissioner stated that during the mandatory conference, it was agreed upon that the SPA dated December 27, 2004 was the same SPA granted by complainant in favor of respondent. It was also agreed upon that by virtue of the said SPA, respondent entered into a compromise agreement with the defendant in the unlawful detainer case. According to the complainant, while it is true that she executed an SPA in favor of the respondent, there was no specific authority granted to him to sell the subject property for ₱350,000.00, and that was the reason why she refused to sign the Deed of Sale.

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<sup>14</sup> *Id.* at 190-196.



Moreover, respondent admitted during the mandatory conference that complainant did not give him any instruction to sell the property, thus:

Comm. De La Rama: Prior to the execution of the compromise agreement on January 31, 2005, were you under instruction by Ms. Cerilla to sell the property?

Atty. Lezama: No, Your Honor.

Comm. De La Rama: You were not?

Atty. Lezama : There was none.

Comm. De La Rama: So what prompted you to [have] that idea that Ms. Cerilla is willing to sell this property in the amount of Php350,000.00?

Atty. Lezama : Because that is the same amount that she paid [for] the property. It is an amicable settlement in meeting halfway.

Comm. De La Rama: But you at that time, prior to the signing of the Compromise Agreement, you do not have any instruction from Ms. Cerilla to sell the property?

Atty. Lezama : No, Your Honor.

Comm. De La Rama : So it was your own volition?

Atty. Lezama : Yes, my own belief.<sup>15</sup>

The Investigating Commissioner stated that respondent must have overlooked the fact that the subject property was co-owned by complainant's siblings. Respondent knew about the co-ownership because of the existence of the Extrajudicial Settlement of Estate,<sup>16</sup> but he did not assert that his authority to compromise binds only the complainant. Respondent merely made a flimsy excuse as shown in the transcript of stenographic notes, to wit:

Comm. De La Rama: Are you aware, Atty. Lezama, that the property does not belong exclusively to Ms. Cerilla?

Atty. Lezama : I was of the impression that it was owned by complainant that's why the ejectment complaint filed speaks only of Luzviminda Cerilla but that was her claim because she said she paid for it.<sup>17</sup>

The Investigating Commissioner stated that the transcript of stenographic notes shows that respondent admitted that complainant did not grant him the authority to sell the property in the amount of ₱350,000.00. Thus, knowing that he did not possess such authority, respondent cannot

<sup>15</sup> TSN, June 10, 2011; *rollo*, pp. 153-155.

<sup>16</sup> *Rollo*, pp. 51-52.

<sup>17</sup> TSN, June 10, 2011, *rollo*, p. 176. (Emphasis ours)

validly claim that his client, complainant herein, was willing to sell the property in the amount of ₱350,000.00.

In order to save himself, respondent allegedly filed a *Manifestation*, but he failed to submit a copy of the same before the Commission.

Further, the transcript of stenographic notes taken during the preliminary conference of the unlawful detainer case shows that it was the respondent who stated that the plaintiff (complainant herein) was willing to sell the property, and it was also the respondent who fixed the selling price of the property at ₱350,000.00, thus:

Court : The plaintiff is willing to sell the property?  
Atty. Lezama : Yes, if the defendant is willing to pay the amount of sale.

Court : How much?  
Atty. Lezama : ₱100,000.00, although the record is more than that, your Honor.

Court : They will also want to buy the property. You will sell it for ₱100,000.00?  
Atty. Lezama : I don't think, your Honor. Maybe it's ₱300,000.00.

Court : ₱300,000.00. How much?  
Atty. Lezama : ₱350,000.00.

x x x.<sup>18</sup>

The MTC Judge also inquired about respondent's authority, and respondent replied, thus:

Court : Are you authorize[d] to make some suggestions to other matter, dismissal or other settlement? Do you have an authority?  
Atty. Lezama : Yes, your Honor, but I have some limitations. I think, your Honor, we need one more setting because I cannot agree on the proposal of the amount of the property your Honor.<sup>19</sup>

The Investigating Commissioner stated that based on the foregoing, respondent acted beyond the scope of his authority. Respondent knew beforehand that no instruction was given by his client to sell the property, yet he bound his client to sell the property without her knowledge. Thus, he betrayed the trust of his client, complainant herein.

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<sup>18</sup> TSN, January 31, 2005, *rollo*, pp. 85-86.

<sup>19</sup> *Id.* at 87-88.

The Investigating Commissioner found respondent guilty of violating Canons 15<sup>20</sup> and 17<sup>21</sup> of the Code of Professional Responsibility and recommended that respondent be suspended from the practice of law for a period of two (2) years.

### **The Ruling of the IBP Board of Governors**

On August 8, 2014, the IBP Board of Governors passed Resolution No. XXI-2014-386,<sup>22</sup> which adopted and approved the Report and recommendation of the Investigating Commissioner. Finding that the recommendation was fully supported by the evidence on record and the applicable laws and for violation of Canons 15 and 17 of the Code of Professional Responsibility, the Board suspended respondent from the practice of law for two (2) years.

Respondent's motion for reconsideration was denied by the IBP Board of Governors in Resolution No. XXII-2016-179<sup>23</sup> dated February 25, 2016.

In a letter<sup>24</sup> dated August 18, 2016, Director for Bar Discipline Ramon S. Esguerra notified the Chief Justice of the Supreme Court of the transmittal of the documents of the case to the Court for final action, pursuant to Rule 139-B of the Rules of Court.

### **Ruling of the Court**

The Court agrees with the finding and recommendation of the IBP Board of Governors.

Respondent entered into the Compromise Agreement<sup>25</sup> on the basis of the SPA granted to him by complainant. The SPA authorized respondent to

<sup>20</sup> CANON 15 — A lawyer shall observe candor, fairness and loyalty in all his dealings and transactions with his client.

<sup>21</sup> CANON 17 — A lawyer owes fidelity to the cause of his client and he shall be mindful of the trust and confidence reposed in him.

<sup>22</sup> *Rollo*, p. 213.

<sup>23</sup> *Id.* at 211.

<sup>24</sup> *Id.* at 210.

<sup>25</sup>

#### **COMPROMISE AGREEMENT**

KNOW ALL MEN BY THESE PRESENTS:

The plaintiff and the defendant assisted by counsels have agreed to enter into a Compromise Agreement as follows:

1. The defendant recognizes the ownership and possession of the plaintiff of Lot No. 36 under TCT No. T-25416 subject of this case;
2. The plaintiff is willing to sell this property in question to the defendant in the amount of ₱350,000 within a period of three months beginning February 1, 2005 up to April 30, 2005, the payment of which shall be paid in one setting;

represent complainant in filing the ejectment case and “[t]o appear on [complainant’s] behalf during the preliminary conference in said ejectment case and to make stipulations of fact, admissions and other matters for the early resolution of the case, including amicable settlement of the case if necessary.” Nowhere is it expressly stated in the SPA that respondent is authorized to compromise on the sale of the property or to sell the property of complainant.

The records show that respondent admitted that he entered into the compromise agreement with the defendant in the unlawful detainer case and stated that the plaintiff, who is the complainant herein, was willing to sell the property to the defendant in the amount of ₱350,000.00 even if the complainant did not instruct or authorize him to sell the property, and he merely acted upon his own belief.<sup>26</sup> As the SPA granted to him by the complainant did not contain the power to sell the property, respondent clearly acted beyond the scope of his authority in entering into the compromise agreement wherein the property was sold to the defendant Carmelita S. Garlito.

Respondent, in his Answer and Motion for Reconsideration of Resolution No. XXI-2014-386, stated that his action was based on an honest belief that he was serving both the interest of his client and the policy of the law to settle cases amicably. However, his justification does not persuade, because his alleged honest belief prejudiced his client, since the property she was not willing to sell was sold at a price decided upon by respondent on his own, which caused his client and her co-owners to file further cases to recover their property that was sold due to respondent’s *mistake*. He overlooked the fact that he was not authorized by his client to sell the property.

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3. The defendant is willing to buy the said property in the said amount of ₱350,000 within the period required by the plaintiff;
  4. That in the event that the defendant cannot pay the amount stated within the specified period, the defendant will vacate the property in question without need of demand at the end of period required which is April 30, 2005; and
  5. That all other claims by both parties are deemed waived.

IN WITNESS HEREOF, we have hereunto affixed our signatures this 31<sup>st</sup> day of January 2005, at Sibulan, Negros Oriental, Philippines, with a prayer that this agreement be approved and judgment be rendered in accordance therewith.

LUZVIMINDA S. CERILLA  
Plaintiff

Represented by:

(Signed)

ATTY. SAMUEL SM. LEZAMA  
Attorney-In-Fact

(Signed)

CARMELITA S. GARLITO  
Defendant

Assisted by:

(Signed)

ATTY. BIENA MARIETA CABUSAO  
Counsel for Defendant

(Rollo, p.15)



<sup>26</sup>

*Supra* note 15.

Canon 5 of the Code of Professional Responsibility states:

CANON 5 — A lawyer shall keep abreast of legal developments, participate in continuing legal education programs, support efforts to achieve high standards in law schools as well as in the practical training of law students and assist in disseminating information regarding the law and jurisprudence.

The obligations of lawyers as a consequence of their Canon 5 duty have been reiterated in *Hernandez v. Atty. Padilla*,<sup>27</sup> thus:

It must be emphasized that the primary duty of lawyers is to obey the laws of the land and promote respect for the law and legal processes. They are expected to be in the forefront in the observance and maintenance of the rule of law. This duty carries with it the obligation to be well-informed of the existing laws and to keep abreast with legal developments, recent enactments and jurisprudence. It is imperative that they be conversant with basic legal principles. Unless they faithfully comply with such duty, they may not be able to discharge competently and diligently their obligations as members of the bar. Worse, they may become susceptible to committing mistakes.<sup>28</sup>

As found by the IBP Board of Governors, respondent also violated Canons 15 and 17 of the Code of Responsibility:

CANON 15 — A lawyer shall observe candor, fairness and loyalty in all his dealings and transactions with his client.

CANON 17 — A lawyer owes fidelity to the cause of his client and he shall be mindful of the trust and confidence reposed in him.

The Court sustains the recommendation of the IBP Board of Governors that respondent be penalized with suspension from the practice of law for a period of two (2) years.

**WHEREFORE**, respondent Atty. Samuel SM. Lezama is found guilty of violating Canons 5, 15 and 17 of the Code of Professional Responsibility. Hence, he is **SUSPENDED** from the practice of law for a period of **TWO (2) YEARS** and **STERNLY WARNED** that a repetition of the same or a similar offense shall be dealt with more severely.

<sup>27</sup> 688 Phil. 329 (2012).

<sup>28</sup> *Hernandez v. Atty. Padilla*, *supra*, at 336, citing *Dulalia, Jr. v. Cruz*, 550 Phil. 409, 420 (2007). (Underscoring supplied).

Let copies of this Resolution be furnished the Office of the Bar Confidant, to be appended to the personal file of respondent. Likewise, copies shall be furnished the Integrated Bar of the Philippines and the Court Administrator for circulation to all courts of the country for their information and guidance.

**SO ORDERED.**



**DIOSDADO M. PERALTA**  
Associate Justice

**WE CONCUR:**



**MARIA LOURDES P. A. SERENO**  
Chief Justice

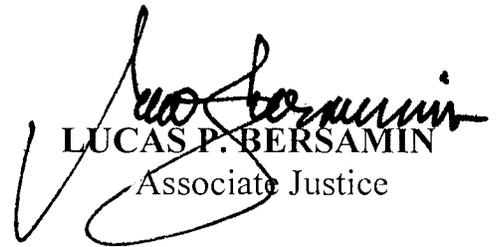


**ANTONIO T. CARPIO**  
Associate Justice



**PRESBITERO J. VELASCO, JR.**  
Associate Justice

*Teresita Leonardo de Castro*  
**TERESITA J. LEONARDO-DE CASTRO**  
Associate Justice



**LUCAS P. BERSAMIN**  
Associate Justice

*Mariano C. del Castillo*  
**MARIANO C. DEL CASTILLO**  
Associate Justice

*Estela M. Perlas-Bernabe*  
**ESTELA M. PERLAS-BERNABE**  
Associate Justice

*Marvic M.V.F. Leonen*  
**MARVIC M.V.F. LEONEN**  
Associate Justice

*Francis H. Jardeleza*  
**FRANCIS H. JARDELEZA**  
Associate Justice

*Alfredo Benjamin S. Caguioa*  
**ALFREDO BENJAMIN S. CAGUIOA**  
Associate Justice

*Samuel R. Martires*  
**SAMUEL R. MARTIRES**  
Associate Justice

*Noel Gimenez Tijam*  
**NOEL GIMENEZ TIJAM**  
Associate Justice

*Andres B. Reyes, Jr.*  
**ANDRES B. REYES, JR.**  
Associate Justice

*Alexander G. Gesmundo*  
**ALEXANDER G. GESMUNDO**  
Associate Justice

CERTIFIED XEROX COPY;

*Felipa B. Anama*  
**FELIPA B. ANAMA**  
CLERK OF COURT, EN BANC  
SUPREME COURT