



Republic of the Philippines
 Supreme Court
 Manila

SUPREME COURT OF THE PHILIPPINES
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PROFESSIONAL SERVICES,
 INC.,

A.C. No. 11241

Complainant,

Present:

PERALTA, C.J.,
 PERLAS-BERNABE,
 LEONEN,
 CAGUIOA,
 GESMUNDO,
 HERNANDO,
 CARANDANG,
 LAZARO-JAVIER,
 INTING,
 ZALAMEDA,
 LOPEZ,
 DELOS SANTOS,
 GAERLAN, and
 ROSARIO, JJ.

- versus-

ATTY. SOCRATES R.
 RIVERA,

Promulgated:

Respondent.

November 3, 2020

X-----X

DECISION

PER CURIAM:

This administrative case arose from a verified complaint¹ filed by Professional Services, Inc. (complainant) against the respondent, Atty. Socrates R. Rivera (Atty. Rivera), before the Commission on Bar Discipline (CBD) of the Integrated Bar of the Philippines (IBP) for defrauding the complainant of the amount of ₱14,358,477.15 in violation of Canon 1, Rule 1.01, and 1.02;

¹ Rollo, Vol. I, pp. 2-8.

Canon 7; Canon 16, Rules 16.01, 16.02, and 16.03, of the Code of Professional Responsibility (CPR).

The Facts:

Complainant is a medical care and hospital management business entity. It engaged the services of Atty. Rivera as Head of its Legal Services Department sometime in September 2008. As such, Atty. Rivera was tasked to determine what cases and legal actions could be filed and pursued to protect complainant's interests. Most of these cases involved collection cases.

To facilitate the filing of cases on complainant's behalf, Atty. Rivera had the authority to request for cash advances to cover the expenses related to the filing of collection cases subject to liquidation and must be supported by official receipts.

Complainant alleged that Atty. Rivera accepted and misappropriated the amount of ₱14,358,477.15 through an elaborate scheme as follows:

1. From 2009 to 2012, while still working for complainant, Atty. Rivera misrepresented and pretended to have filed civil actions and/or instituted proceedings purportedly for and on behalf of complainant when in fact none was filed;
2. Atty. Rivera pretended to have paid filing and other miscellaneous fees in connection with said actions and/or proceedings he allegedly filed;
3. Atty. Rivera pocketed the money purportedly for filing fees and other related fees in the total amount of ₱14,358,477.15.²

Atty. Rivera filled out cash advance slips and fraudulently stated that the amounts he requested were for filing fees and/or expenses related to the filing of collection cases for the complainant. To make the transaction appear credible, Atty. Rivera attached a copy of the first page of the complaints he was supposed to file. He then submitted the cash advance slip with the attached first page of the complaint to complainant's Accounting Department.

Relying on Atty. Rivera's representations, complainant's Accounting Department processed the requested cash advance and prepared the checks payable to Atty. Rivera. Upon release of the check, Atty. Rivera immediately deposited and/or withdrew the amount specified therein.

Since complainant requires liquidation for all cash advances by authorized employees, Atty. Rivera submitted liquidation slips with fake official receipts purportedly covering the expenses made in relation to the fraudulent filing. Complainant found out that the receipts that Atty. Rivera had submitted were fraudulent because the Clerk of Court of the Pasig Regional Trial Court

² Id. at 4.

(RTC) certified that the purported official receipts were in fact spurious.³

Atty. Rivera's fraudulent scheme would have gone unnoticed had he not requested Sylvia Nacpil (Nacpil), complainant's Vice-President for Finance Services, to sign more cash advance slips. When Atty. Rivera asked Nacpil for more cash advances, the latter asked Aida Placido (Placido), complainant's Chief Accountant, for a report on Atty. Rivera's outstanding cash advances. Placido, in turn, asked Atty. Rivera to comment in writing on his outstanding cash advances. He replied stating that he had submitted some of the liquidations while the others were on the table of complainant's Chief Finance Officer (CFO), Ms. Benita J. Macalagay. (Macalagay). It was discovered, however, that there were no such liquidation slips submitted to Macalagay prompting complainant to further investigate the matter.⁴

Upon further investigation, complainant discovered that Atty. Rivera forged the signature of his immediate supervisor, Atty. Martin Samson (Atty. Samson), and that of the CFO, in his attempt to deceive all those who relied on said signatures as part of the liquidation process.

Upon audit, complainant discovered that Atty. Rivera's cash advances purportedly to pay filing fees for civil cases, mediation fees, and miscellaneous expenses relative to these cases which remained unliquidated had amounted to ₱14,358,477.15. However, no case was actually filed for the said amount of advances for the filing fees of 156 collection cases. The handwritten receipts Atty. Rivera submitted to liquidate his cash advances were all fake as certified by the Clerk of Court of the Pasig RTC.⁵

On September 10, 2012, when confronted with the foregoing, Atty. Rivera admitted that he forged the signatures of Atty. Samson and the CFO on the liquidation forms.⁶

Thereafter, an inventory of Atty. Rivera's files and belongings revealed that the latter kept rubber stamps inside his office cabinet with the following engravings: "RTC Pasig City Office of the Clerk of Court;" "RTC Branch 22 Clerk of Court (Atty. Selen Cordez);" "Original Signed;" and "Office of the Prosecutor."⁷

Atty. Rivera made the complainant believe that complaints would be filed to recover money from purported defendants who had obligations to pay complainant. However, after receipt of the funds intended as legal fees, respondent did not spend the amount as intended and instead, appropriated the funds for his own benefit. He resorted to false pretenses and misrepresentations to deceive the complainant into parting with its money in the total amount of

³ Id. at 64.

⁴ Id.

⁵ *Rollo*, Vol. IV, p. 1442.

⁶ Id.

⁷ Id.

₱14,358,477.15.

On January 10, 2013, complainant filed the present disbarment case before the IBP. Atty. Rivera was directed to file his answer within 15 days from receipt thereof.

Atty. Rivera filed a Motion for Extension asking for an additional period of 15 days to file his Answer. However, Atty. Rivera, failed to file his Answer.

On March 14, 2014, the CBD set a hearing for mandatory conference. Atty. Rivera failed to appear at the hearing. Another mandatory conference was held on May 29, 2014, but Atty. Rivera again did not appear. As a result, he was declared in default and the complainant was directed to file its position paper.

**Report and Recommendation of
the Integrated Bar of the
Philippines:**

In his Report and Recommendation⁸ dated February 21, 2015, Investigating Commissioner Romualdo A. Din, Jr. (Commissioner Din, Jr.) recommended that Atty. Rivera be disbarred from the practice of law.

Commissioner Din, Jr. found that:

“[Atty. Rivera] disobeyed Rule 1.01 of the Code for committing acts of dishonesty. xxx His scheme, more than anything else, is a form of cheating to the extent of defrauding the complainant. He cheated by coming up with fake receipts not only to effectuate his plan to acquire money from complainant but also to cover up his wrongdoing.

The respondent likewise violated Rule 16 of the Code for failing to perform the mandate to hold sacred and safely keep and protect the money of one’s client. His failure to give true and proper liquidation of the amounts he skimmed from his clients is a violation of Rule 16.01 of the Code. By doing so, he violated the client-lawyer relationship which is founded on trust and confidence.”⁹

In Resolution No. XXI-2015-246 dated April 18, 2015, the IBP Board of Governors adopted and approved the report and recommendation of Commissioner Din, Jr. that Atty. Rivera be disbarred from the practice of law and his name stricken off from the Roll of Attorneys for violation of Canon 1, Rule 1.01; Canon 7; and Canon 16, Rule 16.01 of the CPR.

Our Ruling

After a careful review of the records, the Court finds Atty. Rivera guilty of grave professional misconduct in violating the CPR and defrauding his client. The Court agrees with the recommendation of the IBP that Atty. Rivera should

⁸ Id. at 1437-1448.

⁹ Id. at 1445.

be disbarred and his name removed from the Roll of Attorneys.

The CPR pertinently provides:

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

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

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.

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 has always stressed that, “the relationship between a lawyer and his client is highly fiduciary and ascribes to a lawyer a great degree of fidelity and good faith.”¹⁰ Thus, when they receive money from a client for a particular purpose, they are bound to render an accounting of how the money was spent for the said purpose; and, in case the money was not used for the intended purpose, they must immediately return the money to the client.¹¹ Failure of a lawyer to return the money entrusted to him by his/her client upon demand creates a presumption that he/she has appropriated the same for his/her own use.¹²

In this case, Atty. Rivera undoubtedly fell short of such standard when he performed a series of fraudulent acts against the complainant. In fact, what Atty. Rivera did to the complainant demonstrates the complete opposite of how a lawyer should approach and treat a client. Atty. Rivera made the complainant believe that collection cases would be filed to recover money from persons who had obligations to pay complainant. However, after receipt of the funds intended as filing fees, Atty. Rivera duped the complainant as he did not spend the amount as intended and instead, appropriated the funds for his own benefit. He resorted to false pretenses and misrepresentations to deceive the complainant into parting with its money. Atty. Rivera even had the audacity to use fake stamps of courts of justice and other government offices to give his dishonest scheme an appearance of truth and credibility. Atty. Rivera succeeded in deceiving his client and besmirching the reputation of the courts.

¹⁰ CF Sharp Crew Management, Inc. v. Torres, 743 Phil. 614, 619 (2014).

¹¹ Id. at 620.

¹² Id.

Further, Rule 1.01, Canon 1 of the CPR commands that “as officers of the court, lawyers are bound to maintain not only a high standard of legal proficiency, but also of morality, honesty, integrity, and fair dealing.”¹³ The Court has always reminded lawyers not to engage in unlawful, dishonest, or deceitful conduct. Clearly, Atty. Rivera failed to heed the tenets of the CPR. His elaborate scheme to defraud his client constitutes dishonest and deceitful conduct of the highest order.

The Court takes note of Atty. Rivera’s disregard of the disbarment case against him in ignoring the notices and failing to appear in the mandatory conference before the IBP.

Section 27, Rule 138 of the Rules of Court provides that a lawyer may be disbarred or suspended by this Court for any of the following acts: (1) deceit; (2) malpractice; (3) gross misconduct in office; (4) grossly immoral conduct; (5) conviction of a crime involving moral turpitude; (6) violation of the Lawyer’s Oath; (7) willful disobedience of any lawful order of a superior court; and (8) willfully appearing as an attorney for a party without authority to do so.

We note that this is not the first time Atty. Rivera has been found guilty of deceit and grave misconduct. The Court is aware of his previous administrative cases which show his propensity to deceive his clients and disregard the CPR. In *Petelo v. Rivera*,¹⁴ Atty. Rivera was suspended from the practice of law for a period of one (1) year for allowing a non-lawyer to file an unauthorized civil complaint and to cause the annotation of a notice of *lis pendens*, which acts were found not only to be dishonest and deceitful, but at the same time an act intended to deceive a court of law.¹⁵ And just recently,¹⁶ in A.C. No. 9114, *Reyes v. Rivera*, we disbarred Atty. Rivera and ordered his name stricken off the Roll of Attorneys for his reprehensible acts of misrepresenting to have filed a petition for declaration of nullity of marriage and furnishing his client with a fake decision despite due receipt of professional fees.

Considering that Atty. Rivera had already been meted the penalty of disbarment in A.C. No. 9114, our pronouncement in *Valmonte v. Quesada, Jr.*¹⁷ finds relevance:

However, considering that the Court had already imposed upon respondent the ultimate penalty of disbarment for his gross misconduct and willful disobedience of the lawful orders of the court in an earlier complaint for disbarment filed against him in *Zarcilla v. Quesada, Jr.*, the penalty of [another disbarment] can no longer be imposed upon him. The reason is obvious: “[o]nce a lawyer is disbarred, there is no penalty that could be imposed regarding his privilege to practice law.”

¹³ *Spouses Lopez v. Limos*, 780 Phil. 113, 122 (2016).

¹⁴ A.C. No. 10408, October 16, 2019.

¹⁵ *Id.*

¹⁶ October 6, 2020

¹⁷ A.C. No. 12487, December 4, 2019.

But while the Court can no longer impose the penalty upon the disbarred lawyer, it can still give the corresponding penalty only for the sole purpose of recording it in his personal file with the Office of the Bar Confidant (OBC), which should be taken into consideration in the event that the disbarred lawyer subsequently files a petition to lift his disbarment.

In addition, the Court may also impose a fine upon a disbarred lawyer found to have committed an offense prior to his/her disbarment as the Court does not lose its exclusive jurisdiction over other offenses committed by a disbarred lawyer while he/she was still a member of the Law Profession. In fact, by imposing a fine, the Court is able "to assert its authority and competence to discipline all acts and actuaciones committed by the members of the Legal Profession." (Citations omitted).

In fine, for the sole purpose of recording it in Atty. Rivera's personal file in the OBC, we hereby adopt the findings of the IBP and approve its recommendation to disbar Atty. Rivera. In addition, we hereby impose upon him a fine in the amount of ₱100,000.00.¹⁸


WHEREFORE, the Court hereby **FINDS** respondent Socrates R. Rivera **GUILTY** of violation of the Code of Professional Responsibility and the Lawyer's Oath and is hereby **DISBARRED** from the practice of law. His name is ordered **STRICKEN OFF** the Roll of Attorneys. However, considering that he has already been disbarred in A.C. No. 9114 (*Reyes v. Rivera*), this penalty can no longer be imposed but nevertheless should be considered in the event that he should apply for the lifting of his disbarment. **ACCORDINGLY**, and **IN VIEW OF HIS CONTINUING DISBARMENT**, a penalty of **FINE** in the amount of ₱100,000.00 is imposed upon him.

Further, he is **ORDERED TO RETURN** the amount of ₱14,358,477.15 to complainant Professional Services, Inc. within ten (10) days from receipt of this Decision, which shall earn legal interest at the rate of six percent (6%) *per annum* from his receipt of this Decision until full payment.


Let a copy of this Decision be furnished to the Office of the Bar Confidant to be entered into the records of respondent Socrates R. Rivera. Copies shall likewise be furnished to the Integrated Bar of the Philippines and the Office of the Court Administrator, which shall circulate the same to all courts in the country for their information and guidance.

¹⁸ See *Valmonte v. Quesada, Jr.*, id.

SO ORDERED.



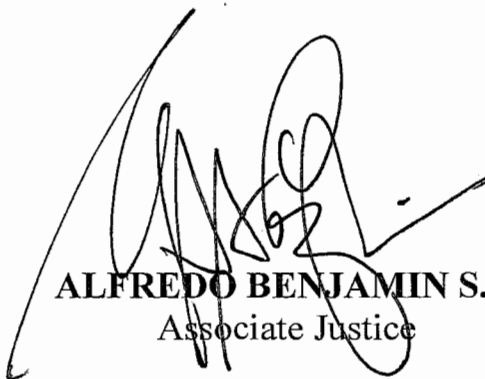
DIOSDADO M. PERALTA
Chief Justice



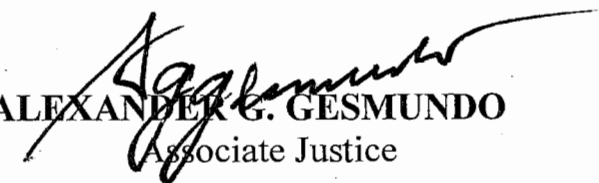
ESTELA M. PERLAS-BERNABE
Associate Justice



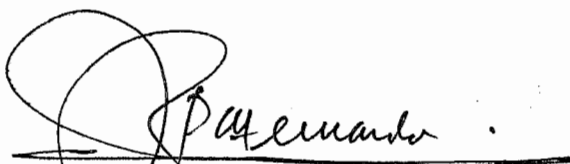
MARVIC M.V.F. LEONEN
Associate Justice



ALFREDO BENJAMIN S. CAGUIOA
Associate Justice




ALEXANDER G. GESMUNDO
Associate Justice




RAMON PAUL L. HERNANDO
Associate Justice



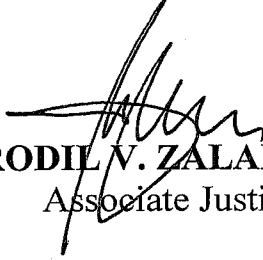
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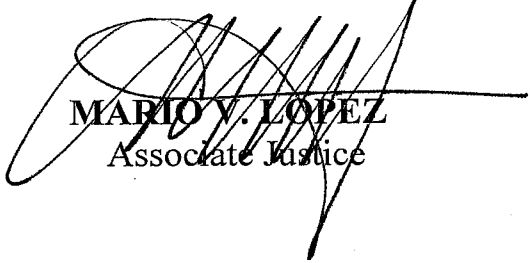
AMY C. LAZARO-JAVIER
Associate Justice




HENRI JEAN PAUL B. INTING
Associate Justice




RODIL N. ZALAMEDA
Associate Justice




MARIO V. LOPEZ
Associate Justice



EDGARDO L. DELOS SANTOS
Associate Justice

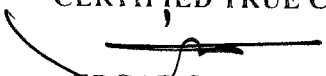


SAMUEL H. GAERLAN
Associate Justice



RICARDO R. ROSARIO
Associate Justice

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EDGAR O. ARICHETA
Clerk of Court En Banc
Supreme Court