



Republic of the Philippines  
**Supreme Court**  
 Manila

SUPREME COURT OF THE PHILIPPINES  
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**MARIE JUDY BESA-  
 EDELMAIER,**  
 Complainant,

**A.C. No. 9161 [Formerly CBD  
 Case No. 07-1925]**

Present:

GESMUNDO, C.J.,  
 LEONEN,  
 CAGUIOA,  
 HERNANDO,  
 LAZARO-JAVIER,\*  
 INTING,  
 ZALAMEDA,  
 LOPEZ, M.,  
 GAERLAN,  
 ROSARIO,  
 LOPEZ, J.,  
 DIMAAMPAO,  
 MARQUEZ,  
 KHO, JR.,  
 SINGH, JJ.

- versus -

**ATTY. RESTITUTO M.  
 AREVALO,**  
 Respondent.

Promulgated:

July 12, 2022

*[Signature]*

**DECISION**

**DIMAAMPAO, J.:**

At the vortex of the instant case is an *administrative complaint*<sup>1</sup> for violation of the Code of Professional Responsibility filed by complainant

\* No Part.  
<sup>1</sup> *Rollo*, pp. 2-3.

*[Signature]*

Marie Judy Besa-Edelmaier against respondent Atty. Restituto M. Arevalo docketed as CBD Case No. 07-1925 before the Commission on Bar Discipline of the Integrated Bar of the Philippines (IBP-CBD). Complainant seeks this Court's disposition to impose the penalty of suspension or disbarment upon respondent.

The precursor facts unfurl as follows:

In February 2003, complainant engaged the legal services of respondent, then a senior official of the Philippine Long Distance Telephone Company (PLDT), to pursue a monetary claim against MR Knitwear Specialist Phil., Inc. (MR Knitwear).<sup>2</sup> Complainant, then an employee of the Bank of the Philippine Islands (BPI), had receivables from MR Knitwear, a client of BPI, in the amount of approximately ₱10,000,000.00<sup>3</sup> arising out of several transactions under which complainant would supply foreign currency to Mr. Knitwear with interest.<sup>4</sup>

Respondent accepted the engagement and pegged his legal fees in the amount of One Million Pesos (₱1,000,000.00), covering legal services up to the appellate level,<sup>5</sup> to which complainant agreed.<sup>6</sup> Respondent demanded an advance payment of Nine Hundred Thousand Pesos (₱900,000.00), purportedly to be turned over to his law firm.<sup>7</sup> Complainant acceded and in March 2003 she paid the amount of Eight Hundred Thousand Pesos (₱800,000.00) in cash to respondent.<sup>8</sup> In April 2003, she deposited the amount of One Hundred Thousand Pesos (₱100,000.00) to respondent's bank account.<sup>9</sup> At both instances, respondent did not issue receipts therefor.

Several meetings then ensued between complainant and respondent over the following months.<sup>10</sup> In those meetings, complainant constantly followed up with respondent as to the filing of a collection of money suit against MR Knitwear.<sup>11</sup> However, respondent claimed that delaying the filing of such suit was more prudent under the circumstances because MR Knitwear could not only file a counterclaim against complainant for overcharged interest payments, but also apprise BPI about complainant's side business of supplying foreign currency to a BPI client without the bank's knowledge,

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<sup>2</sup> Id. at 2.

<sup>3</sup> Id. at 4.

<sup>4</sup> Id. at 20.

<sup>5</sup> Id. at 2, 22.

<sup>6</sup> Id. at 2.

<sup>7</sup> Id.

<sup>8</sup> Id. at 39.

<sup>9</sup> Id.

<sup>10</sup> Id. at 2, 21, 47-48.

<sup>11</sup> Id. at 2.

*J*

thereby threatening to compromise her employment and entitlement to retirement benefits.<sup>12</sup>

As it happened, respondent filed no case for complainant as of October 2003, thereby prompting the latter to terminate the services of the former and seek reimbursement of the ₱900,000.00 paid to him.<sup>13</sup> However, respondent paid no heed to complainant's demand.<sup>14</sup>

Inevitably, in January 2004, complainant, through counsel, sent a letter to respondent, apprising him that:

We represent [complainant].

x x x x

We have advised [complainant] that you are at least entitled to attorney's fees on a *quantum meruit* basis. For this reason, we would appreciate if you could provide us with a detailed breakdown of the legal services that you have provided [complainant] and the actual time spent on the case so we could recommend the amount that you are entitled by way of attorney's fees.<sup>15</sup>

Thereupon, then Commissioner Siegfred B. Mison of the IBP-CBD sent another letter to respondent, pursuing complainant's request in her January 2004 letter and advising respondent that his conduct could constitute gross violation of the Canons of Professional Ethics and/or Code of Professional Responsibility—

We write for and on behalf of our client, Ms. Marie Judy Edelmaier in connection with the professional fees she has paid for your legal services rendered on or about to be rendered against Mr. Knitwear Specialist, Inc.

The purpose of this letter is to merely follow-up the request of Ms. Edelmaier as contained in a letter dated January 23, 2004 from a certain Atty. Alfonso Cruz, a copy of which is hereto attached for your reference. The contents of such letter are clear, unequivocal and self-explanatory.

Based on the narration of Ms. Edelmaier, you have willfully neglected to diligently pursue the case against Mr. Knitwear, much to her prejudice, despite her advance payment of P900,000.00. Such conduct, among others, constitutes a gross violation of the Canons of Professional Ethics and/or Code of Professional Responsibility which shall serve as a ground for a disciplinary action by this Commission.

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<sup>12</sup> Id. at 21-24.

<sup>13</sup> Id. at 2.

<sup>14</sup> Id.

<sup>15</sup> Id. at 49-51.

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I urge you to take this matter with your utmost preferential attention while this office shall institute the necessary steps to uphold the integrity of our profession.<sup>16</sup>

A month after receiving the foregoing letter, respondent met complainant, who was then accompanied by a certain Atty. Ysobel S. Yasay-Murillo (Atty. Yasay-Murillo), in a coffee shop in Makati City. In that meeting, respondent refused to acknowledge receipt of the ₱800,000.00 cash from complainant, although he did so as to the ₱100,000.00 deposited to his bank account. Atty. Yasay-Murillo questioned respondent about the legal actions he had undertaken thus far for complainant. Respondent claimed that while he had not filed cases, he had sent demand letters to persons responsible for complainant's legal problems. When asked to show copies of such demand letters, however, respondent could not produce any. Atty. Yasay-Murillo then asked respondent why he agreed to handle complainant's case when PLDT prohibits its own lawyers from handling external cases; respondent confirmed this restriction but did not justify or even explain why he went against the same.<sup>17</sup>

Her demand for reimbursement having fallen on deaf ears for years, complainant filed an *administrative complaint*<sup>18</sup> against respondent before the IBP-CBD in February 2007. In her Position Paper,<sup>19</sup> complainant recounted the foregoing narrative and charged respondent with *grave misconduct*.

In refutation, respondent averred that (1) he assisted complainant in her separation from BPI without being dishonorably dismissed on the grounds of conflict of interest and breach of trust; (2) he cut short his stay in the USA and attended to a demand letter from MR Knitwear seeking return of overcharged interest payments and threatening complainant with the possible filing of *estafa* charges; and (3) upon arrival in the Philippines, he immediately coordinated with complainant about the status of MR Knitwear's demand. Although he opined that it was untimely to file a collection case against MR Knitwear at the time, he nevertheless agreed to file such case and advised complainant to prepare the filing fees therefor. However, he never heard from complainant again until he received the demand letter for the reimbursement of the amounts paid to him.<sup>20</sup>

### **The Report and Recommendation of the IBP**

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<sup>16</sup> Id. at 71.

<sup>17</sup> Id. at 53.

<sup>18</sup> Id. at 2-3.

<sup>19</sup> Id. at 64-67.

<sup>20</sup> Id. at 76-85.

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On September 3, 2008, after several clarificatory hearings,<sup>21</sup> Commissioner Oliver A. Cachapero (Commissioner Cachapero) of the IBP-CBD issued a Report and Recommendation,<sup>22</sup> finding respondent guilty of breaching his duties to complainant and to the legal profession and recommending that he be meted the penalty of disbarment, to wit:

*Recommendations*

Foregoing premises considered, the undersigned believes and so holds that the circumstances warrant strong disciplinary measure against Respondent. It is therefore recommended that he should be meted the extreme penalty of DISBARMENT and his name stricken off the roll of attorneys. In addition, he should be directed to refund the attorney's fees advanced by Complainant less Php 50,000.00 which the Complainant had voluntarily agreed to pay to Respondent in terms of attorney's fees based on *quantum meruit*.

RESPECTFULLY RECOMMENDED.<sup>23</sup>

In the Resolution<sup>24</sup> dated September 20, 2008, the Board of Governors of the IBP adopted and approved Commissioner Cachapero's Report and Recommendation.

Respondent moved for reconsideration, arguing, *inter alia*, that (1) he never deliberately neglected his duty of diligence and competence to complainant; (2) the amount of ₱1,000,000.00 as attorney's fees was reasonable; and (3) even assuming that he could be faulted, the penalty of disbarment was too harsh.<sup>25</sup>

During the pendency of the motion for reconsideration, respondent filed a Manifestation and Motion,<sup>26</sup> in which he claimed that he, without admitting liability or abandoning his Motion, voluntarily returned the ₱900,000.00 to complainant by issuing several checks; complainant acknowledged receipt of the checks.<sup>27</sup> On May 21, 2010, complainant's counsel, Atty. Pedro Genato, filed an Urgent Manifestation with Motion,<sup>28</sup> stating that complainant had already encashed all checks save for one, and praying that his attorney's fees equivalent to five percent (5%) of the ₱900,000.00 recovered from respondent be considered as a lien to the last check.

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<sup>21</sup> Id. at 179-564.

<sup>22</sup> Id. at 569-580.

<sup>23</sup> Id. at 579-580.

<sup>24</sup> Id. at 567.

<sup>25</sup> Id. at 581-598.

<sup>26</sup> Id. at 608-611.

<sup>27</sup> Id. at 616.

<sup>28</sup> Id. at 632-633.

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On June 11, 2010, respondent, through a new collaborating counsel, filed a Supplemental Motion for Reconsideration,<sup>29</sup> in which he espoused the view that the case was an unlawful scheme on the part of the complainant.

Ensuingly, in the Resolution<sup>30</sup> dated June 26, 2011, the Board of Governors of the IBP denied respondent's Motion for Reconsideration for lack of substantial ground or reason to disturb its earlier ruling.

Thence, respondent filed a Petition<sup>31</sup> before this Court, bemoaning that the Resolution dated June 26, 2011 of the Board of Governors of the IBP did not consider or pass upon his Supplemental Motion for Reconsideration. He reverberated that he rendered legal services to complainant and her colleagues in several meetings, as a result of which complainant was able to resign from BPI instead of being dismissed due to her illegal activities. He likewise claimed that he was able to "parry off" the impending suit by MR Knitwear against complainant.

In the Resolution<sup>32</sup> dated September 6, 2011, this Court directed complainant to comment on respondent's Petition. However, complainant's counsel Atty. Genato, instead of filing a Comment on complainant's behalf, withdrew his appearance as counsel, averring that complainant had moved out of her known address and had not communicated with him for a long time.<sup>33</sup> Complainant never complied with the directive to file a Comment. Thus, this Court dispensed with the same in the Resolution<sup>34</sup> dated June 6, 2017.

Discernibly, the jugular issue for the Court's adjudication is whether or not respondent should be disbarred from the practice of law, as recommended by the Board of Governors of the IBP.

### **COURT'S RULING**

The practice of law is considered a privilege bestowed by the State on those who show that they possess and continue to possess the legal qualifications for the profession. As such, lawyers are expected to maintain at all times a high standard of legal proficiency, morality, honesty, integrity and fair dealing, and must perform their four-fold duty to society, the legal

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<sup>29</sup> Id. at 649-656.

<sup>30</sup> Id. at 688.

<sup>31</sup> Id. at 681-685.

<sup>32</sup> Id. at 704.

<sup>33</sup> Id. at 718-719.

<sup>34</sup> Id. at 750.

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profession, the courts and their clients, in accordance with the values and norms embodied in the Code of Professional Responsibility (Code). Lawyers may, thus, be disciplined for any conduct that is wanting of the above standards whether in their professional or in their private capacity.<sup>35</sup>

A member of the Bar may be penalized, even disbarred or suspended from his office as an attorney, for violation of the lawyer's oath and/or for breach of the ethics of the legal profession as embodied in the Code. The practice of law is a profession, a form of public trust, the performance of which is entrusted to those who are qualified and who possess good moral character. The appropriate penalty for an errant lawyer depends on the exercise of sound judicial discretion based on the surrounding facts.<sup>36</sup>

The Court has held time and again that as a rule, an attorney enjoys the legal presumption that he is innocent of the charges made against him until the contrary is proved. An attorney enjoys the legal presumption that he is innocent of the charges against him until the contrary is proved, and that as an officer of the Court, he is presumed to have performed his duties in accordance with his oath. In disbarment proceedings, the quantum of proof is substantial evidence and the burden of proof is on the complainant to establish the allegations in his complaint.<sup>37</sup>

Verily, the power to disbar must be exercised with great caution. Disbarment should be imposed in clear cases of misconduct that seriously affect the standing and character of the lawyer as an officer of the court and as member of the bar, or the misconduct borders on the criminal, or committed under scandalous circumstance.<sup>38</sup>

In the case at bench, it is undisputed that respondent agreed to handle the legal matter entrusted to him by the complainant and that he accepted the amount of ₱900,000.00 as fees therefor. When a lawyer takes a client's cause, he covenants that he will exercise due diligence in protecting the latter's rights.<sup>39</sup> Once a lawyer agrees to handle a case, he ought to undertake the task with zeal, care, and utmost devotion. Acceptance of money from a client establishes an attorney-client relationship and gives rise to the duty of fidelity to the client's cause. Indeed, every case which a lawyer accepts deserves full attention, diligence, skill, and competence, regardless of its importance.<sup>40</sup>

<sup>35</sup> See *Jinon v. Jiz*, 705 Phil. 321, 327 (2013). Citations omitted.

<sup>36</sup> See *Sison, Jr. v. Camacho*, 777 Phil. 1, 14 (2016). Citations omitted.

<sup>37</sup> *Tan v. Atty. Alvarico*, A.C. No. 10933, November 3, 2020.

<sup>38</sup> See *Rodco Consultancy and Maritime Services Corp. v. Concepcion*, A.C. No. 7963, June 29, 2021.

<sup>39</sup> *Vda. de Enriquez v. San Jose*, A.C. No. 3569, February 23, 2007.

<sup>40</sup> See *San Gabriel v. Sempio*, A.C. No. 12423, March 26, 2019.

*After a punctilious review of the case, the Court finds that respondent's actions fell short of the lofty standards imposed upon him as a member of the bar.*

Plain as a pikestaff, respondent, despite having received from complainant a considerable amount of money as attorney's fees, failed to institute an action for collection of money against MR Knitwear — the very reason for which his legal services were engaged by complainant in the first place.

Respondent attempts to justify his failure to file the suit by postulating that it was the most prudent course of action at that time as MR Knitwear could file a counterclaim against complainant for overcharged interest, in addition to a criminal charge for *estafa*. In other words, respondent asserts that the inaction was actually a part of his legal strategy for the case.

Be that as it may, this Court finds and so holds that such explanation does not justify his failure to file the collection suit after he received exorbitant attorney's fees. *For one*, respondent never properly discussed this "strategy" with the complainant or at the very least, get her perspective on the matter. *For another*, he never did any preparatory act relative to the filing of the suit, such as the preparation and sending of a demand letter to MR Knitwear. Quite palpably, respondent discussed about such strategy to complainant only when he was confronted about his inaction. It cannot be stressed enough that respondent's indolence persisted despite complainant's receipt of a demand letter from MR Knitwear.

Respondent posits that his strategy actually benefitted complainant in that it enabled her to retire from BPI without difficulties and ensured that MR Knitwear did not pursue a case against her.

*Respondent's hypothesis echoes on hollow ground.*

To begin with, whether BPI would allow an employee to retire without any case, administrative or otherwise, being filed against such employee is entirely within the prerogative of the bank. In the same vein, the choice of whether to file a case against complainant is the sole prerogative of MR Knitwear. While the fact that neither BPI nor MR Knitwear actually filed cases indeed benefitted the complainant, respondent cannot claim credit therefor, as he was never in a position to influence the exercise of these prerogatives. Respondent's claim that his strategy was actually instrumental is, thus, pure speculation at best.

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It is clear as day that respondent not only failed to file the collection of money suit against MR Knitwear – which, *again*, was the one thing for which he was engaged as a lawyer in the first place – but also kept complainant in the dark about why he never did so. This undoubtedly is a wanton violation of Canon 18<sup>41</sup> of the Code, particularly Rules 18.03<sup>42</sup> and 18.04.<sup>43</sup> Moreover, his unjustified failure to reimburse the amounts paid in a timely manner despite consistent demand from his client is a clear violation of Rule 16.03 of the Code.<sup>44</sup>

So, too, the Court cannot turn a blind eye to the cold hard fact that respondent prefatorily refused to acknowledge receipt of the ₱800,000.00 cash given to him by complainant as legal fees, only to turn around and later admit otherwise. Corollary thereto, respondent never issued receipts for the amounts he received in violation of Rule 16.01 of the Code.<sup>45</sup> **This is quite riveting—respondent’s audacity to perpetrate a *wrong*, i.e., the non-issuance of receipts to complainant, to commit and justify *another wrong*, that is, the initial refusal to acknowledge and reimburse said money to his client.** This kind of wanton and reckless act is unquestionably inappropriate for a member of the bar and is sufficient ground for disciplinary action.

On this score, respondent’s ensuing return of the entire amount of ₱900,000.00 to the complainant cannot exonerate him from administrative liability. Notably, he returned the money after the IBP Board of Governors had approved the Report and Recommendation of Commissioner Cachapero to disbar him. In sooth, had it not been for the danger of losing his privilege of practicing law, he would not have done the same. This act should never be countenanced.

Accordingly, this Court finds it judicious to sustain the IBP Board of Governors’ finding that respondent should be held administratively liable for

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<sup>41</sup> Canon 18 provides:

Canon 18 – A lawyer shall serve his client with competence and diligence.

<sup>42</sup> Rule 18.03 provides:

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

<sup>43</sup> Rule 18.04 provides:

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.

<sup>44</sup> Rule 16.03 provides:

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.

<sup>45</sup> Rule 16.01 provides:

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

his acts. A lawyer's relationship with his client is highly fiduciary and is anchored on the trust and confidence reposed upon him. Clearly falling short of what is expected of him as a member of the bar and as an officer of the court, respondent in this case is answerable not just to his client, but also to the Court, his profession, and the public in general.

Nevertheless, the Court finds the penalty of disbarment as recommended by the IBP too severe and harsh under the circumstances. While administrative cases against members of the bar are *sui generis*, case law is replete with instances where lawyers' commission of similar acts against their clients warranted a *suspension* and not disbarment. In *Rollon v. Naraval*,<sup>46</sup> the Court suspended the respondent-lawyer from the practice of law for two years for failing to render any legal service even after receiving money from the complainant and for failing to return the money and documents he received. The same sanction was imposed in *Small v. Banares*,<sup>47</sup> where the respondent-lawyer committed a failure to file a case for which he received from his client the amount of ₱80,000.00. In *Jinon v. Jiz*,<sup>48</sup> the Court suspended the delinquent lawyer, likewise, for two years for failing to perform what was needed of him by the client. In *Segovia-Ribaya v. Lawsin*,<sup>49</sup> a lawyer was suspended for one year for his failure to perform his obligations under a retainership agreement with his client. Finally, in *Go v. Buri*,<sup>50</sup> the Court suspended the erring lawyer for a period of two years for his negligence in handling his client's affairs.

Therewithal, the Court finds it proper to consider the following circumstances in the determination of the appropriate penalty: *first*, this is respondent's first infraction, at least on record; *second*, respondent had actually reimbursed the entire amount which he received from complainant, albeit late in the day; and *third*, complainant seemed to have abandoned her administrative case against respondent after receiving the money from respondent, as evinced by her failure to participate in any meaningful manner in the proceedings before the Court.

In précis, this Court finds and so holds that given the factual milieu of the case, a penalty of suspension from the practice of law for a period of two years is justified.

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<sup>46</sup> 493 Phil. 24 (2005).

<sup>47</sup> 545 Phil. 226 (2007).

<sup>48</sup> 705 Phil. 321 (2013).

<sup>49</sup> 721 Phil. 44 (2013).

<sup>50</sup> A.C. No. 12296, December 4, 2018.

**WHEREFORE**, respondent Atty. Restituto M. Arevalo is hereby found **GUILTY** of violation of Canons 16 and 18 of the Code of Professional Responsibility. Accordingly, he is hereby **SUSPENDED** from the practice of law for a **PERIOD OF TWO (2) YEARS**, effective immediately upon his receipt of this *Decision*. He is **STERNLY WARNED** that a repetition of the same or similar acts will be dealt with more severely.


Respondent is hereby **DIRECTED** to report to this Court the date of his receipt of this *Decision* to enable it to determine when his suspension from the practice of law shall take effect.

Let copies of this *Decision* be furnished to: (1) the Office of the Bar Confidant to be appended to respondent's personal record as an attorney; (2) the Integrated Bar of the Philippines for its information and guidance; and (3) the Office of the Court Administrator for circulation to all courts in the country.

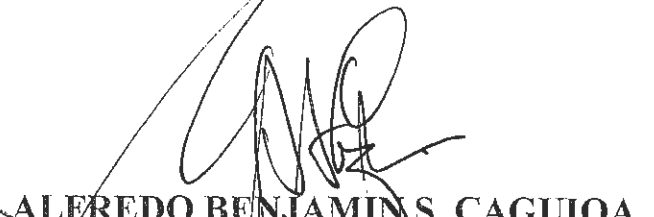
**SO ORDERED.**


  
JAPAR B. DIMAAMPAO  
Associate Justice

**WE CONCUR:**

  
ALEXANDER G. GESMUNDO  
Chief Justice


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

  
**ALFREDO BENJAMIN S. CAGUIOA**  
*Associate Justice*


  
**RAMON PAUL L. HERNANDO**  
*Associate Justice*

- NO PART -  
**AMY C. LAZARO JAVIER**  
*Associate Justice*

  
**HENRI JEAN PAUL B. INTING**  
*Associate Justice*

  
**RODIL V. ZALAMEDA**  
*Associate Justice*

  
**MARIO V. LOPEZ**  
*Associate Justice*

  
**SAMUEL H. GAERLAN**  
*Associate Justice*

  
**RICARDO R. ROSARIO**  
*Associate Justice*

  
**JHOSEP Y. LOPEZ**  
*Associate Justice*

  
**JOSE MIDAS P. MARQUEZ**  
*Associate Justice*

  
**ANTONIO T. KHO, JR.**  
*Associate Justice*

  
**MARIA FILOMENA D. SINGH**  
*Associate Justice*