



Republic of the Philippines
Supreme Court
 Manila

SUPREME COURT OF THE PHILIPPINES
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THIRD DIVISION

GRAND PILLAR INTERNATIONAL DEVELOPMENT, INC., represented by its Chief Executive Officer, **JOSEPHINE F. CHUA,**
 Complainant,

A.C. No. 11001 [Formerly CBD Case No. 21-6449]

Present:

CAGUIOA, J., Chairperson,
INTING,
GAERLAN,
DIMAAMPAO, and
SINGH, JJ.

- versus -

ATTY. NINI D. CRUZ,
 Respondent.

Promulgated:

August 19, 2024

Mick DeBatt

DECISION

DIMAAMPAO, J.:

Before the Court is an administrative complaint¹ for disbarment filed by Grand Pillar International Development, Inc. (Grand Pillar), represented by its Chief Executive Officer, Josephine F. Chua (Chua), against respondent Atty. Nini D. Cruz (Atty. Cruz) for malpractice and deceit.

The precursor facts are synthesized as follows:

Sometime in 2008, a complaint for consignment, specific performance, and damages was filed before Branch 74, Regional Trial Court (RTC) of Olongapo City, docketed as Civil Case No. 119-0-2008. The plaintiff in the said case, Josephine Lim (Lim), was represented by Atty. Cruz. Meanwhile, Grand Pillar was one of the defendants.

¹ Rollo, pp. 1-11.

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Upon appeal to the Court of Appeals (CA), the parties eventually executed a compromise agreement. Ensuingly, the CA rendered a Decision (Based on Compromise Agreement),² approving and adopting the Compromise Agreement, and declaring the case closed and terminated. Accordingly, an Entry of Judgment³ was issued.

Among the salient provisions of the Compromise Agreement is that, upon its approval, Lim shall turn over the official receipts evidencing the full amount consigned in the RTC — totaling PHP 8,037,523.00 — to Grand Pillar and authorize the latter to withdraw the said amount. Grand Pillar, on the other hand, shall convey to Lim 10 deeds of conveyance covering the 10 properties which are the subject matter of Civil Case No. 119-0-2008.⁴

Thereupon, Grand Pillar successfully obtained PHP 6,042,753.50, representing the amount actually consigned by Lim to the RTC. In turn, Grand Pillar released four deeds of conveyance representing four properties out of the 10 properties. Thus, there remained a balance of PHP 1,994,769.50, which Lim had to pay Grand Pillar.

For Lim's failure to pay her outstanding obligation despite repeated demands, Grand Pillar was constrained to file a Motion for Execution⁵ to implement the provisions of the Compromise Agreement, particularly the payment of the remaining balance Grand Pillar undertook to release the six remaining deeds of conveyance representing six properties, upon receipt of the balance of PHP 1,994,769.50.

In its Order⁶ dated June 2, 2014, the RTC merely noted the Motion for Execution filed by Grand Pillar, since a writ of execution was already issued on September 5, 2013. The RTC, nonetheless, directed Lim to pay the remaining balance of PHP 1,994,769.50, and Grand Pillar to release the six deeds of conveyance covering the subject properties.

As it happened, at around 3:00 p.m. of September 11, 2015, a meeting ensued among Grand Pillar's CEO, Josephine F. Chua (CEO Chua); Grand Pillar's counsel, Atty. Ericson Chang Aguila (Atty. Aguila), Atty. Cruz, and Sheriff Christopher T. Perez (Sheriff Perez), at the RTC's staff room. During the meeting, Atty. Cruz, representing herself as counsel of Lim, tendered to Sheriff Perez **Union Bank of the Philippines Manager's Check No. 0000300714 dated September 8, 2014 with a face value of**

² *Id.* at 13–17. The March 8, 2013 Decision was penned by Associate Justice Fernanda Lampas Peralta with the concurrence of Associate Justices Francisco P. Acosta and Angelita A. Gacutan of the Tenth Division, Court of Appeals, Manila.

³ *Id.* at 19.

⁴ *Id.* at 15, CA Decision.

⁵ *Id.* at 20–22.

⁶ *Id.* at 23.

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PHP2,000,000.00 and payable to the order of the RTC of Olongapo City, in full settlement of Lim's outstanding obligation PHP1,994,769.50 to Grand Pillar.⁷

When Atty. Aguila asked Atty. Cruz why her client, Lim, issued the manager's check payable to the order of the RTC of Olongapo City, Atty. Cruz replied that it was the way her client wanted the check to be issued.⁸

Considering that the manager's check was issued to the order of the RTC of Olongapo City, Sheriff Perez delivered the same to the concerned RTC for safekeeping. The check was eventually deposited to the RTC's Fiduciary Trust Fund.⁹

Grand Pillar, through its counsel, immediately filed with the RTC an Urgent Motion for Release of Payment¹⁰ praying that an order be issued authorizing Grand Pillar to withdraw the amount of PHP 2 million representing the value of the subject manager's check. Thus, on September 15, 2014, the RTC issued an Order¹¹ directing the Clerk of Court of the RTC of Olongapo City to release the amount of PHP 2 million to the duly-authorized representative of Grand Pillar.

On September 18, 2014, CEO Chua, along with two other employees of Grand Pillar, and Atty. Aguila, met Atty. Cruz and Sheriff Perez at the RTC to personally deliver to Atty. Cruz the remaining six deeds of conveyance. CEO Chua, Atty. Aguila, the two employees of Grand Pillar, and Beth Rubio, the cashier of the RTC of Olongapo City, then proceeded to the Land Bank of the Philippines, Olongapo City Branch located at Rizal Avenue, East Bajac-Bajac, Olongapo City, to obtain the cash value of the consigned manager's check. CEO Chua successfully obtained the cash value of the manager's check, making her believe that this was the end of Grand Pillar's legal dispute with Lim.¹²

However, to CEO Chua's great surprise and dismay, she received a letter from a certain Gracita Domingo-Agaton (Domingo-Agaton), who averred that Grand Pillar used her Union Bank of the Philippines Manager's Check No. 0000300714 dated September 8, 2014 with a face value of PHP 2 million, purportedly to settle Grand Pillar's obligation to a certain Josephine Lim in relation to Civil Case No. 119-0-2008. Claiming that she was the drawer of the manager's check, Domingo-Agaton demanded Grand Pillar to

⁷ *Id.* at 3.

⁸ *Id.*

⁹ *Id.*

¹⁰ *Id.* at 24-25.

¹¹ *Id.* at 26.

¹² *Id.* at 4-5.

return the said amount to her; otherwise, she would be constrained to institute the necessary legal action against Grand Pillar and Atty. Cruz.¹³

In her letter¹⁴ dated October 9, 2015, CEO Chua, through Atty. Aguila, claimed good faith in receiving the subject manager's check as settlement for the obligation of Lim, who was represented by Atty. Cruz in Civil Case No. 119-0-2008.

Inevitably, Grand Pillar filed the disbarment complaint against Atty. Cruz, asseverating that had it not been for the assurances and representation of Atty. Cruz that the subject manager's check was Lim's payment for her outstanding obligation to Grand Pillar, the latter would not have obtained the amount covered by the check. It further asserted that after entering into a compromise agreement with Lim, Grand Pillar only envisioned to finally end Civil Case No. 119-0-2008. However, with the receipt of Domingo-Agaton's demand letter, its humble aspiration was blown to smithereens with the looming litigation that it stands to face against Domingo-Agaton, to which Grand Pillar has neither contractual nor extra-contractual dealings in the past. In light of Atty. Cruz's manifest deceitful act of tendering in payment a manager's check which belongs to somebody who is not part of Civil Case No. 119-0-2008, and without said drawer's knowledge or conformity, she violated the Lawyer's Oath and must be meted the ultimate penalty of disbarment.¹⁵

On February 3, 2016, the Court issued a Resolution requiring Atty. Cruz to file her comment on the complaint.¹⁶ Atty. Cruz, however, failed to comply with the Court's directive. This prompted the Court to issue another Resolution,¹⁷ requiring Atty. Cruz to show cause why she should not be disciplinary dealt with or held in contempt for failure to comply with the February 3, 2016 Resolution and reiterating the order to submit the required comment, both within 10 days from notice.

For Atty. Cruz's repeated failure to comply with the Court's directives, the Court issued anew a Resolution on November 20, 2017, imposing upon her the fine of PHP 1,000.00 payable within 10 days from notice or a penalty of imprisonment for five days if such fine is not paid within the prescribed period. Again, Atty. Cruz was required to submit her comment on the instant complaint.¹⁸

¹³ *Id.* at 5.

¹⁴ *Id.* at 46-50.

¹⁵ *Id.* at 5-6.

¹⁶ *Id.* at 54, Notice, First Division.

¹⁷ *Id.* at 55, Notice, First Division.

¹⁸ *Id.* at 58-59, Notice, Second Division.



On June 26, 2019, the Court required Atty. Cruz to comply with the February 3, 2016 Resolution by submitting the required comment.¹⁹ Once more, Atty. Cruz failed to heed the Court's directive.²⁰

In the Resolution²¹ dated November 11, 2020, this Court dispensed with the comment of Atty. Cruz and referred to the Integrated Bar of the Philippines the subject complaint for investigation, report and recommendation. The case was docketed as CBD No. 21-6449 (Admin Case No. 11001) before the Integrated Bar of the Philippines-Commission on Bar Discipline (IBP-CBD).

The mandatory conference of the case was terminated on account of both parties' failure to appear despite the IBP-CBD's directive. As a consequence, they were directed to submit their respective position papers within a non-extendible period of 10 days, with warning that failure to file their position papers shall be deemed a waiver of their right to submit the same.²²

For her repeated failure to comply with the processes of the IBP-CBD despite due notice, the IBP-CBD considered Atty. Cruz "as in default" and to have waived her right to further participate in the proceedings before the Commission.²³

In the interregnum, in A.C. No. 11023, *Domingo-Agaton v. Cruz*,²⁴ the Court meted the ultimate penalty of disbarment upon Atty. Cruz for her dishonest, deceitful and fraudulent conduct. The Court held among other things, that Atty. Cruz defrauded Domingo-Agaton by misappropriating her Union Bank of the Philippines Manager's Check No. 0000300714 and using it as settlement for the obligation of another client in another case. The Court further ruled that in doing so, she likewise deceived the RTC into believing that Domingo-Agaton's manager's check was issued for Civil Case No. 119-0-2008, to which she was not a party.

Afterwards, Commissioner Donna Ann T. Balboa (Commissioner Balboa) the investigating Commissioner of the IBP-CBD, issued her Report and Recommendation,²⁵ noting that Atty. Cruz had already been disbarred for her malicious and deceitful means of tendering a manager's check owned by another client, Domingo-Agaton, to use as settlement for the obligation of her

¹⁹ *Id.* at 68, Notice, Second Division.

²⁰ *Id.* at 105.

²¹ *Id.* at 77.

²² *Id.* at 90-91. The March 24, 2022 Order was issued by Commissioner Maria Leobeth B. Deslate-Delicana.

²³ *Id.* at 106, IBP-CBD Report and Recommendation.

²⁴ May 4, 2021 [*Per Curiam, En Banc*].

²⁵ *Rollo*, pp. 103-107. The August 11, 2022 Report and Recommendation of the IBP-CBD was submitted by Commissioner Donna Ann T. Balboa.

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client, Lim, in Civil Case No. 119-0-2008. The instant case stemmed from Atty. Cruz's act of securing a manager's check from Domingo-Agaton, when she knew for a fact that Civil Case No. 86-0-2013 which involved Domingo-Agaton had already been dismissed. Instead of returning the check to Domingo-Agaton, Atty. Cruz unlawfully and dishonestly used the subject manager's check to settle Lim's obligation in Civil Case No. 119-0-2008, to the damage, prejudice, and injury of both clients. Accordingly, the IBP-CBD recommended that Atty. Cruz be disbarred.²⁶

In the Resolution²⁷ of the IBP Board of Governors, the recommendation of Commissioner Balboa was modified, thus—

RESOLUTION NO. CBD-XXV-2023-05-06

RESOLVED, to MODIFY, as it is hereby MODIFIED, the Report and Recommendation of the Investigating Commissioner (IC), after taking into account the fact that respondent had already been disbarred in A.C. No. 11023 (04 May 2021), and further has been recommended to be meted out with a penalty of suspension from the practice of law for six (6) months per Resolution No. CBD-XXV-2023-02-28 dated 17 February 2023 in CBD Case No. 19-6089, to recommend instead to impose upon respondent Atty. Nini D. Cruz a FINE of [PHP] 100,000.00, in consonance with prevailing jurisprudence and the provisions of the new Code of Professional Responsibility and Accountability (CPRA); and

RESOLVED, FURTHER, to recommend that respondent be additionally meted out with a FINE of [PHP] 20,000.00 for her failure to file an Answer, Mandatory Conference Brief, and Position Paper, and her failure to attend the Mandatory Conference, as required by the IC. (Emphasis in the original)

The Issue

Perceivably, the pivotal issue for the Court's resolution is whether or not Atty. Cruz should be disbarred anew for malpractice and deceit.

The Court's Ruling

The Court dismisses the instant disbarment complaint on the ground of res judicata.

Res judicata literally means "a matter adjudged; a thing judicially acted upon or decided; a thing or matter settled by judgment." It also refers to the

²⁶ *Id.* at 107.

²⁷ *Id.* at 101–102. The May 13, 2023 Resolution of the IBP Board of Governors was issued by National Secretary Doroteo Lorenzo B. Aguila.

rule that a final judgment or decree on the merits by a court of competent jurisdiction is conclusive of the rights of the parties or their privies in all later suits on points and matters determined in the former suit. It rests on the principle that parties should not to be permitted to litigate the same issue more than once; that, when a right or fact has been judicially tried and determined by a court of competent jurisdiction, or an opportunity for such trial has been given, the judgment of the court, so long as it remains unreversed, should be conclusive upon the parties and those in privity with them in law or estate.²⁸

Res judicata, as an absolute bar to a subsequent action, requires the following: (1) the judgment sought to bar the new action must be final; (2) the decision must have been rendered by a court having jurisdiction over the subject matter and the parties; (3) the disposition of the case must be a judgment on the merits; and (4) there must be, as between the first and second action, identity of parties, subject matter, and causes of action. When there is no identity of causes of action, but only an identity of issues, *res judicata* in the concept of conclusiveness of judgment still applies.²⁹

To encapsulate, the present disbarment complaint charges Atty. Cruz with malpractice and deceit for misappropriating the manager's check issued by a former client in *Domingo-Agaton*, in order to settle the obligation of another client to herein complainant Grand Pillar in a different case.

The Court rules and so holds that *res judicata* in the concept of "bar by prior judgment" applies because all of its elements are present in the case at bench.

There is no dispute that this Court, in the case of *Domingo-Agaton*, had jurisdiction over the subject matter and the parties. Likewise, the decision rendered in the said case was one on the merits and had long become final.

Moreover, the parties, subject matter and causes of action in *Domingo-Agaton* and the instant case are identical.

First, there is, as between *Domingo-Agaton* and the present case, identity of parties. The principle of *res judicata* does not require absolute identity of parties, but requires, at the very least, substantial identity of parties. There is substantial identity of parties when there exists a "community of interest between a party in the first case and a party in the second case even if the latter was not impleaded in the first case."³⁰ The respondent in *both* cases

²⁸ *Heirs of Gabule v. Jumuad*, 887 Phil. 575, 589–590 (2020) [Per J. Gesmundo, Third Division].

²⁹ *See Heirs of Elliot v. Corcuera*, 880 Phil. 232, 240–241 (2020) [Per J. Lazaro-Javier, First Division].

³⁰ *Heirs of Gabule v. Jumuad*, 887 Phil. 575, 592 (2020), [Per J. Gesmundo, Third Division].

is Atty. Cruz. In the first case, complainant is Domingo-Agaton, who filed a complaint for grave misconduct against Atty. Cruz on the ground that she misappropriated the manager's check issued by the former to use as settlement for the obligation of another client, Lim, in Civil Case No. 119-0-2008, a case where *Domingo-Agaton* is a not a party. On the other hand, the complainant in the subject case is Grand Pillar, to whom the same manager's check was presented as payment for the outstanding obligation of her client, Lim, in Civil Case No. 119-0-2008. Clearly, there is community of interests between both complainants in the two cases in order to seek redress for Atty. Cruz's deceitful conduct.

Second, it is undisputed that the same Union Bank of the Philippines Manager's Check No. 0000300714 dated September 8, 2014 was the subject matter in the two cases.

Third, the causes of action in both cases are undoubtedly identical in that they seek the disbarment of Atty. Cruz based on the same set of facts and circumstances which occurred in *Domingo-Agaton*. To reiterate, the Court already acknowledged the same deplorable act committed by Atty. Cruz in the *Domingo-Agaton* case.³¹ In meting upon her the supreme penalty of disbarment, the Court held—

Respondent was dishonest when she concealed from complainant that Civil Case No. 86-0-2013 had already been dismissed by the RTC on July 31, 2014. She even went to the extent of instructing complainant to purchase the subject manager's check purportedly as bond for the consignment of the subject property. Indeed, respondent deceived complainant when she impressed upon the latter the need for such bond, despite the prior dismissal of Civil Case No. 86-0-2013. *Consistent with her dishonest acts, respondent got hold of complainant's manager's check through deceitful assurances. Respondent, then, defrauded complainant by misappropriating the latter's manager's check as settlement for the obligation of another client in another case. In doing so, she likewise deceived the RTC into believing that complainant's manager's check was issued for Civil Case No. 119-0-2008, to which complainant was not a party.*

....

As discussed earlier, respondent's established deplorable conduct exhibited her unfitness and sheer inability to discharge the bounden duties of a member of the legal profession. Her dishonest, deceitful and fraudulent conduct of misappropriating complainant's manager's check, as well as her act of misleading the RTC in Civil Case No. 119-0-2008, evinces a serious

³¹ 902 Phil. 1 (2021) [*Per Curiam, En Banc*].

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*flaw in her moral fiber justifying the extreme penalty of disbarment.*³²
(Emphasis supplied)

By reason of her disbarment from the practice of law in *Domingo-Agaton*, Atty. Cruz can no longer be sanctioned again for the same offense that is based on the same facts and circumstances as in the previous case. Indubitably, the principle of *res judicata* bars this Court from imposing anew the penalty of disbarment upon Atty. Cruz.

However, the Court notes Atty. Cruz's brazen disregard of the proceedings before the IBP, as well as this Court. She repeatedly refused to file her comment even under the pain of being penalized by the Court. She was similarly disobedient to the IBP-CBD when she failed to attend the mandatory conference and file her verified position paper.

As a member of the Bar, Atty. Cruz ought to have known that the orders of the IBP-CBD as the investigating arm of the Court in administrative cases against lawyers are not mere requests but directives which should be complied with promptly and completely. She should be reminded that as a lawyer, she must maintain respect not only to the courts, but also to judicial officers and other duly constituted authorities, including the IBP.³³

Thus, her contumelious disregard of the lawful orders and processes of this Court and the IBP-CBD directing her to file her comment, to attend the mandatory conference, and to file her position paper, despite due notice, constitute a breach of her sworn duty as a lawyer, which is classified as a less serious offense under Canon VI, Section 34 of the Code of Professional Responsibility and Accountability (CPRA).³⁴ The Court, therefore, imposes a fine of PHP 50,000.00, pursuant to Canon VI, Section 37(b) of the CPRA.³⁵

³² *Id.* at 9–11.

³³ *Kelly v. Robielos III*, A.C. No. 13955, January 30, 2024 [*Per Curiam, En Banc*].

³⁴ SECTION 34. *Less Serious Offenses*. — Less serious offenses include:

....
(c) Violation of Supreme Court rules and issuances in relation to Bar Matters and administrative disciplinary proceedings, including willful and deliberate disobedience of the orders of the Supreme Court and the IBP[.]

³⁵ SECTION 37. *Sanctions*. —

....
(b) If the respondent is found guilty of a less serious offense, any of the following sanctions, or a combination thereof, shall be imposed:
(1) Suspension from the practice of law for a period within the range of one (1) month to six (6) months, or revocation of notarial commission and disqualification as notary public for less than two (2) years;
(2) A fine within the range of [PHP] 35,000.00 to [PHP] 100,000.00.



ACCORDINGLY, the disbarment complaint against respondent Atty. Nini D. Cruz for malpractice and deceit is **DISMISSED** on the ground of *res judicata*.

However, for her repeated defiance of the orders of this Court and the Integrated Bar of the Philippines, which is classified as a less serious offense under Canon VI, Section 34 of the Code of Professional Responsibility and Accountability, she is meted out a **FINE** in the amount of PHP 50,000.00.

Let a copy of this Decision be furnished to the Office of the Bar Confidant to be appended to the personal record of Atty. Nini D. Cruz as a member of the Bar. Likewise, let copies of the same be served on the Integrated Bar of the Philippines and the Office of the Court Administrator.

SO ORDERED.



JAPAR B. DIMAAMPAO
Associate Justice


WE CONCUR:



ALFREDO BENJAMIN S. CAGUIOA
Associate Justice



HENRI JEAN PAUL B. INTING
Associate Justice



SAMUEL H. GAERLAN
Associate Justice



MARIA FILOMENA D. SINGH
Associate Justice