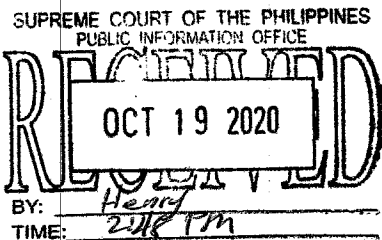




Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

NOTICE



Sirs/Mesdames:

*Please take notice that the Court, Third Division, issued a Resolution dated **June 15, 2020**, which reads as follows:*

“A.C. No. 11349 (Formerly CBD Case No. 14-4147) (Leonardo G. Puno v. Atty. Reydon P. Canlas.) — This resolves the Complaint¹ for disbarment filed by Leonardo G. Puno (Puno), charging Atty. Reydon P. Canlas (Atty. Canlas) of violating Canon 10² and Rules 10.01³ and 10.02⁴ of the Code of Professional Responsibility.

Puno, together with one Rudy A. Gonzales (Gonzales), rented an agricultural land located in Pampanga and owned by a Pastor Hubert Habal (Habal). In their March 2010 Memorandum of Agreement,⁵ Puno and Gonzales, as first party, and Habal, as second party, agreed to the following stipulations:

-
3. The FIRST PARTY shall pay the SECOND PARTY in consideration of this leasehold as follows:
 - A. P20,000.00 for the first year and P30,000.00 for the second, third, fourth and fifth year and thereafter;
 - B. Donation by Faith in the form of produce from the property at the wish/option of the FIRST PARTY;
 - C. The above stipulated rentals shall be due fifteen days after harvest of crops from the property. The duration of the

¹ Rollo, pp. 3–5.

² CODE OF PROFESSIONAL RESPONSIBILITY, Canon 10 provides:
CANON 10 — A lawyer owes candor, fairness and good faith to the court.

³ CODE OF PROFESSIONAL RESPONSIBILITY, Rule 10.01 provides:
RULE 10.01 A lawyer shall not do any falsehood, nor consent to the doing of any in Court; nor shall he mislead or allow the Court to be misled by any artifice.

⁴ CODE OF PROFESSIONAL RESPONSIBILITY, Rule 10.02 provides:
RULE 10.02 A lawyer shall not knowingly misquote or misrepresent the contents of a paper, the language or the argument of opposing counsel, or the text of a decision or authority, or knowingly cite as law a provision already rendered inoperative by repeal or amendment or assert as a fact that which has not been proved.

⁵ Rollo, pp. 9–10. No specific date of execution was indicated in the Memorandum of Agreement.

leasehold shall be five years starting on March 1, 2010 and renewable thereafter for another five years

4. The FIRST PARTY shall develop the elevated and hilly areas by planting fruit bearing trees while the flat areas shall be utilized for vegetables/other crops and/or breeding of animals/live stocks (chickens, fighting cocks, goats, cows, dogs and others) and other business ventures not contrary to law;
5. The FIRST PARTY shall provide its own water supply system and other utilities to the property at his own expense, while the SECOND PARTY is bounded to provide the FIRST PARTY documents needed for their processing/connection[.]⁶

Habal was represented by a Reverend Paul Lim (Lim) in the Memorandum of Agreement, with Lim signing the lease agreement on Habal's behalf.⁷

Eight (8) months after or on November 15, 2010, Habal, represented by Atty. Canlas, filed a Complaint⁸ for cancellation of the Memorandum of Agreement with Damages before the Regional Trial Court of San Fernando, Pampanga. Habal claimed that Puno and Gonzales violated the agreement by failing to "preserve the pristine physical condition"⁹ of the property, as well as "[failing] to pay [the] monthly rentals of P20,000.00 since July 2010[.]"¹⁰ Habal likewise alleged that Puno and Gonzales "failed to develop the elevated and hilly areas by not planting fruit bearing trees"¹¹ and refused to setup a water supply system on the rented property.¹² Despite notice of demand, Puno and Gonzales allegedly failed to reply, causing Habal to pre-terminate the Agreement.¹³

During pre-trial, Habal failed to appear.¹⁴ Atty. Canlas subsequently moved to withdraw his appearance because his client no longer coordinated with him.¹⁵ Habal eventually failed to prove his case by failing to present evidence to substantiate his claims.¹⁶

Furthermore, the trial court found that Habal's allegations in his Complaint were "misplaced[.]"¹⁷ For one, Puno and Gonzales were under no obligation to keep the pristine physical condition of the property. As to

⁶ Id. at 9.

⁷ Id. at 10.

⁸ Id. at 6-8.

⁹ Id. at 6.

¹⁰ Id.

¹¹ Id.

¹² Id. at 7.

¹³ Id.

¹⁴ Id. at 63, Report and Recommendation.

¹⁵ Id. at 12, RTC Decision dated January 24, 2014.

¹⁶ Id.

¹⁷ Id.

the rentals, the Memorandum stated that they were payable yearly, not monthly, as claimed by Habal. With respect to the obligation to develop the hilly area of the property, the trial court said that the Memorandum of Agreement did not provide when the development should start, and the five-year duration of the lease should be taken into consideration. Lastly, contrary to Habal's allegation, the trial court found that Puno and Gonzales installed a water supply system, incurring a total of ₱18,000.00 for it.¹⁸ This caused the trial court to instead grant the counterclaim of defendants Puno and Gonzales, ordering Habal to pay them attorney's fees and the costs of suit. The dispositive portion of the January 24, 2014 Decision¹⁹ of the trial court read:

WHEREFORE, premises considered, the Counter Claim of defendants Leonardo G. Puno and Rudy A. Gonzales is hereby **GRANTED**.

Accordingly, **judgment is hereby rendered ordering plaintiff HUBERT D. HABAL** to:

- a) Respect the subject Memorandum of Agreement dated March 2010 which remains valid until March 2015;
- b) To deliver the object of the Memorandum of Agreement in such condition as to render it fit for the use intended and to maintain the lessee in the peaceful and adequate enjoyment of the lease for the entire duration of the contract in pursuant to Art. 1654 of the Civil Code of the Philippines;
- c) Pay defendants the amount of **Twenty Five Thousand (PhP25,000.00) Pesos** as attorney's fees; and
- d) the costs of suit.

SO ORDERED.²⁰ (Emphasis in the original)

Alleging that Atty. Canlas induced Habal to file the baseless Complaint for Cancellation, Puno filed the Disbarment Complaint²¹ against Atty. Canlas. As found by the trial court, the allegations in Habal's Complaint for Cancellation were misplaced, and Atty. Canlas, as Habal's counsel, consented to the doing of falsehood in court, in violation of Canon

¹⁸ Id.

¹⁹ Id. at 11-14.

²⁰ Id. at 14.

²¹ Id. at 3-5.

10,²² and Rules 10.01²³ and 10.02²⁴ of the Code of Professional Responsibility.

In his Answer²⁵ to the disbarment Complaint, Atty. Canlas denied inducing Habal to pre-terminate the Memorandum of Agreement. Atty. Canlas alleged that he first met Reverend Lim sometime in September 2010.²⁶ To recall, Lim executed the Memorandum of Agreement on behalf of Habal.

During Lim and Atty. Canlas' meeting, Lim related how he and Habal were having problems enforcing a lease contract.²⁷ Lim showed Atty. Canlas a copy of the Memorandum of Agreement and a September 13, 2010 demand letter²⁸ he and Habal wrote addressed to Puno and Gonzales, the lessees. The letter enumerated Puno and Gonzales' violations, giving them a week "to clear the premises and to surrender it peacefully[.]"²⁹ The letter ended with "[i]t is highly hoped that you will give this serious matter your utmost consideration [s]o that we would no longer [elevate the matter] to the Court."³⁰

Later on, Lim introduced Atty. Canlas to Habal,³¹ with Habal eventually engaging Atty. Canlas as counsel for the filing of the complaint for cancellation of the Memorandum of Agreement.³² In drafting the Complaint, Atty. Canlas relied on his interview with Habal as well as the allegations in the September 13, 2010 demand letter.³³ Afterwards, Habal signed the Verification and Certification of Non-Forum Shopping on October 9, 2010, and Atty. Canlas filed the Complaint on November 15, 2010.³⁴

The foregoing, Atty. Canlas argued, shows that Habal already intended to sue Puno and Gonzales before engaging him as counsel. Thus, he did not induce Habal to file the Complaint for cancellation, contrary to

²² CODE OF PROFESSIONAL RESPONSIBILITY, Canon 10 provides:
CANON 10 — A lawyer owes candor, fairness and good faith to the court.

²³ CODE OF PROFESSIONAL RESPONSIBILITY, Rule 10.01 provides:
RULE 10.01 A lawyer shall not do any falsehood, nor consent to the doing of any in Court; nor shall he mislead or allow the Court to be misled by any artifice.

²⁴ CODE OF PROFESSIONAL RESPONSIBILITY, Rule 10.02 provides:
RULE 10.02 A lawyer shall not knowingly misquote or misrepresent the contents of a paper, the language or the argument of opposing counsel, or the text of a decision or authority, or knowingly cite as law a provision already rendered inoperative by repeal or amendment or assert as a fact that which has not been proved.

²⁵ *Rollo*, pp. 17-24.

²⁶ *Id.* at 18.

²⁷ *Id.*

²⁸ *Id.* at 26.

²⁹ *Id.*

³⁰ *Id.*

³¹ *Id.* at 19.

³² *Id.*

³³ *Id.*

³⁴ *Id.*

Puno's claim.³⁵ With respect to the allegation of monthly rentals, Atty. Canlas relied on Habal's representation that the rentals were to be paid monthly. Consequently, in the Complaint's Prayer, he claimed payment of ₱80,000.00 as back rentals from July 20, 2010 to October 2010, representing ₱20,000.00 monthly rental for four (4) months.³⁶

In the Report and Recommendation³⁷ dated February 10, 2015, Commissioner Suzette A. Mamon (Commissioner Mamon) of the Commission on Bar Discipline, Integrated Bar of the Philippines, recommended the dismissal of the disbarment Complaint. She found that Puno failed to present "concrete and clear evidence"³⁸ that Atty. Canlas induced Habal to commence the action for cancellation. On the contrary, she said, the facts of the case show that "Habal had already [sic] the intention to bring the matter in Court if no settlement was availing between him and herein complainant Puno as can be discerned in the letter dated September 13, 2010."³⁹

As to the misplaced allegations in the Complaint for Cancellation, Commissioner Mamon said that Puno "was not able to show that the said acts of [Atty. Canlas] [were] made in bad faith or with deliberate intent to mislead the Court[.]"⁴⁰ Furthermore, Commissioner Mamon emphasized that Habal signed the Verification and Certification of Non-Forum Shopping, thereby warranting that he had fully read the Complaint as drafted and that its contents were true and correct to the best of his knowledge and belief. Consequently, Atty. Canlas truthfully argued that he merely relied on the information provided by Habal.⁴¹

Finally, Commissioner Mamon highlighted that Atty. Canlas had long withdrawn his appearance as counsel for Habal when the latter repeatedly failed to appear during the scheduled pre-trial conference. Thus, "in absence of any evidence preponderant to prove that indeed herein respondent counsel committed acts constituting grounds for disbarment for violation of Canon 10, Rule 10.01 and Rule 10.02,"⁴² Commissioner Mamon stated that the "Commission cannot resolve the case in [favor] of the complainant."⁴³

In Resolution⁴⁴ No. XXI-2015-565 dated June 20, 2015, the Integrated Bar of the Philippines Board of Governors adopted and approved

³⁵ Id.

³⁶ Id.

³⁷ Id. at 60-65.

³⁸ Id. at 63.

³⁹ Id.

⁴⁰ Id. at 63-64.

⁴¹ Id. at 64.

⁴² Id. at 65.

⁴³ Id.

⁴⁴ Id. at 58-59.

Commissioner Mamon's Report and Recommendation. This Court noted Resolution No. XXI-2015-565 in its August 7, 2017 Resolution.⁴⁵

As noted by the Office of the Bar Confidant, no petition for review or motion for reconsideration was filed by either party.

The issue for this Court's resolution is whether or not complainant Leonardo G. Puno presented clearly preponderant evidence that warranted Atty. Canlas' disbarment.

This Court affirms the Integrated Bar of the Philippines Board of Governors' Resolution No. XXI-2015-565 dated June 20, 2015.

Complainant failed to present clearly preponderant evidence that Atty. Canlas violated Canon 10 and Rules 10.01 and 10.02 of the Code of Professional Responsibility. The provisions state:

CANON 10 — A lawyer owes candor, fairness and good faith to the court.

RULE 10.01 A lawyer shall not do any falsehood, nor consent to the doing of any in Court; nor shall he mislead or allow the Court to be misled by any artifice.

RULE 10.02 A lawyer shall not knowingly misquote or misrepresent the contents of a paper, the language or the argument of opposing counsel, or the text of a decision or authority, or knowingly cite as law a provision already rendered inoperative by repeal or amendment or assert as a fact that which has not been proved.

Except for his allegation, which remained largely unsubstantiated, complainant had no other evidence that respondent induced Habal to file the Complaint for cancellation of the Memorandum of Agreement. Complainant failed to discharge the burden of proof required for disbarring an attorney.

Still, though not deliberately false as to mislead the trial court, the allegation that the rentals were to be paid monthly was inaccurate. Granting that respondent relied on the information provided by Habal during the interview, respondent himself alleged that he was presented a copy of the Memorandum of Agreement before he drafted the Complaint. Had respondent read it, he would have realized that the ₱20,000.00 rental, as worded in the Memorandum, was to be paid annually and not monthly, as Habal believed. This is evident in paragraph 3 of the Memorandum, which said:

⁴⁵ Id. at 66.

3. The FIRST PARTY shall pay the SECOND PARTY in consideration of this leasehold as follows:

A. P20,000.00 for the first year and P30,000.00 for the second, third, fourth and fifth year and thereafter[.]⁴⁶ (Underscoring provided)

Consequently, respondent could have advised his client that their demand for payment of rentals was still premature. The Memorandum of Agreement was executed in March 2010. The demand for payment of rental was made on September 13, 2010, barely six (6) months into the contract.

Respondent cannot completely pass the blame onto Habal who signed the Verification and Certification of Non-Forum Shopping and vouched that the allegations in the Complaint were true and correct to the best of his knowledge and belief. As the attorney, respondent had the duty to relay to his client the legal import of documents. Lawyers are hired precisely for this. For someone who has been practicing since 1985, this mistake is amateurish. Accordingly, respondent is admonished to be more circumspect in his legal practice.

WHEREFORE, the Complaint is **DISMISSED**, there being no *prima facie* case against respondent Atty. Reydon P. Canlas that would warrant his disbarment.

Nonetheless, respondent Atty. Canlas is **ADMONISHED** to be more diligent in practicing his profession.

SO ORDERED.”

Very truly yours,

Misael Domingo C. Battung III
MISAELO DOMINGO C. BATTUNG III
Division Clerk of Court
1/10/14/2020

⁴⁶ Id. at 9.

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