



Republic of the Philippines
Supreme Court
Manila

SUPREME COURT OF THE PHILIPPINES
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THIRD DIVISION

NOTICE

Sirs/Mesdames:

*Please take notice that the Court, Third Division, issued a Resolution dated **September 2, 2020**, which reads as follows:*

“A.C. No. 12788 [*Formerly CBD Case No. 16-5169*] (*Carmen Soriano vda. De Dabao v. Atty. Joseph Advincula Arrojado*). – On November 21, 2016, complainant Carmen Soriano vda. De Dabao (Soriano) filed a complaint¹ for disbarment against respondent Atty. Joseph Advincula Arrojado (Atty. Arrojado) for violation of the Lawyer’s Oath and the Code of Professional Responsibility (CPR).

As a result of winning a civil case she filed against Spouses Charlie (Charlie) and Mary Grace Dabao before the Regional Trial Court (RTC) of Muntinlupa City Soriano was able to levy² on the property located at Brgy. Lonoy, Roxas City with an area of 82,688 square meters³ and covered by Transfer Certificate of Title (TCT) No. T-47530⁴ under the name of Charlie and his brother George Dabao (George; collectively, the Dabao brothers). The fact of levy was annotated at the back of TCT No. T-47530.⁵

Atty. Arrojado, as the counsel of George, caused the partition of the property covered by TCT No. T-47530.⁶ Thus, TCT No. T-47350 was cancelled and TCT Nos. T-52228 to 52232 were issued in the names of the Dabao brothers.⁷ A Notice of Levy and Certificate of Sale in favor of Soriano was annotated on the new titles.⁸ TCT No. 52231 was subsequently cancelled and TCT Nos. T-52237 to T-52239 were issued in lieu thereof, still in the names of the Dabao brothers.⁹ On October 31, 2007, a Final Deed of Sale was issued in favor of Soriano. Thus, all the titles in the name of the Dabao brothers were cancelled and TCT Nos. T-54375 to T-54381 were issued solely in the name of Soriano.¹⁰

¹ *Rollo*, pp. 1-4.
² *Id.* at 468.
³ *Id.* at 39.
⁴ *Id.* at 59.
⁵ *Id.* at 468.
⁶ *Id.*
⁷ *Id.* at 37.
⁸ *Id.* at 468.
⁹ *Id.* at 37.
¹⁰ *Id.* at 468.

Atty. Arrojado informed Soriano that the titles should have included the name of George. He also offered to help her find buyers for her share.¹¹ Soriano then executed a Deed of Assignment¹² (DOA) dated November 14, 2007 in favor of Atty. Arrojado. Under the DOA, Soriano assigned the property covered by TCT No. 52538 to Atty. Arrojado.¹³ On January 29, 2008, Soriano executed a Special Power of Attorney (SPA)¹⁴ authorizing Atty. Arrojado to sell the properties covered by TCT Nos. T-54375 to T-54381.¹⁵ On October 5, 2009, Soriano, Atty. Arrojado, and Elmer Villasis (Villasis), buyer of George's share in the properties, entered into a Memorandum of Agreement (MOA)¹⁶ wherein they agreed to partition the properties covered by TCT Nos. T-54375 to T-54381 among themselves. Atty. Arrojado was tasked to look for buyers for the shares of Soriano and Villasis as their agent.¹⁷ The MOA was intended to put an end to whatever issues Soriano and Villasis had.¹⁸ It was also executed pursuant to Soriano's promise to pay Atty. Arrojado once her finances improved.¹⁹ On October 20, 2011, Soriano executed a Deed of Absolute Sale²⁰ (DAS) wherein she sold her share in the properties covered by TCT Nos. T-54376 to T-54378, T-54380, and T-54381 to Atty. Arrojado for ₱500,000.00.²¹

However, Soriano denied executing the DOA, MOA, and the DAS.²² She thus filed a complaint²³ against Atty. Arrojado before the Integrated Bar of the Philippines (IBP). Soriano admitted receiving financial assistance from Atty. Arrojado but not payment for her share in the properties. He took advantage of her ignorance. Soriano pointed out that the Registry of Deeds of Roxas City did not find the MOA in its files while the Office of the Clerk of Court of Quezon City certified that the notary public for the MOA was not a commissioned notary public when the MOA was executed.²⁴

Atty. Arrojado filed his Answer²⁵ to the complaint on March 6, 2017. He admitted informing Soriano that George should also be included as an owner in TCT Nos. T-54375 to T-54381. The titles were later on corrected to include the name of George.²⁶ Atty. Arrojado also admitted offering his assistance in selling the properties.²⁷ He argues that Soriano knowingly and voluntarily executed the DOA, MOA, and DAS. Atty. Arrojado claims that Soriano executed the DOA as payment for the legal fees that the Dabao

¹¹ Id.
¹² Id. at 249-250.
¹³ Id. at 249.
¹⁴ Id. at 5-7.
¹⁵ Id. at 5-6.
¹⁶ Id. at 12-15.
¹⁷ Id. at 12-14.
¹⁸ Id. at 600.
¹⁹ Id. at 262.
²⁰ Id. at 251-255.
²¹ Id. at 251-254.
²² Id. at 469.
²³ Id. at 1-4.
²⁴ Id. at 2.
²⁵ Id. at 34-50.
²⁶ Id. at 38.
²⁷ Id. at 35.

brothers owe him because she took pity on him. As for the SPA, it was executed after he agreed to help her sell the properties. The SPA is irrevocable because Soriano had an outstanding obligation to Atty. Arrojado. As of October 20, 2011, Soriano owed Atty. Arrojado ₱1,520,656.23. Thus, she executed the DAS as payment for her obligation.²⁸ However, on October 22, 2015, Soriano executed a Termination/Rescission of the MOA.²⁹ She reiterated her demand to terminate the MOA on January 26, 2016. Atty. Arrojado refused.³⁰ In his letter³¹ dated February 11, 2016 to Soriano, he reminded her that she transferred her rights to the properties to him through the DOA and the DAS. In addition, she already received a total of ₱1,300,000.00 in cash as payment from him, as well as various amounts.³² Atty. Arrojado issued an Affidavit of Adverse Claim. He would later claim that out of the seven titles, only TCT Nos. T-54377 to T-54381 remain.³³

On May 25, 2017, both parties attended the mandatory conference/hearing.³⁴ They submitted their respective position papers.³⁵ Soriano also filed a Manifestation³⁶ that Atty. Arrojado executed a Contract of Lease on her behalf.³⁷ Atty. Arrojado filed a Comment³⁸ that this is because the titles are still under the names of George and Soriano.³⁹

On October 10, 2017, Commissioner Stephanie M. Cas-Refina (Comm. Cas-Refina) issued her Report and Recommendation⁴⁰ wherein she recommended that Atty. Arrojado be suspended from the practice of law for two years without prejudice to the right of both parties to litigate on the civil aspect of the case.⁴¹ Comm. Cas-Refina held that the genuineness of Soriano's signature in the DOA, MOA, and the DAS cannot be determined with certainty without the findings of a handwriting expert.⁴² Notably, Atty. Arrojado submitted the Joint Affidavit⁴³ of his employees, Ruby E. Rosima-Achas and Gilda B. Labata, attesting that they saw Soriano sign the documents in question.⁴⁴ Soriano has not filed any criminal case against Atty. Arrojado. Nonetheless, Comm. Cas-Refina found that Atty. Arrojado took advantage of the dire financial situation of Soriano in obtaining the properties. This is a violation of Canon 11 of the Canons of Professional Ethics (CPE), which states that "a lawyer should refrain from any action whereby for his personal benefit or gain he abuses or takes advantage of the confidence reposed in him

²⁸ Id. at 41-46.
²⁹ Id. at 119.
³⁰ Id. at 259.
³¹ Id. at 121-122.
³² Id. at 121.
³³ Id. at 259.
³⁴ Id. at 467.
³⁵ Id. at 257-274, 238-247.
³⁶ Id. at 349-350.
³⁷ Id. at 349.
³⁸ Id. at 453-456.
³⁹ Id. at 456.
⁴⁰ Id. at 467-473.
⁴¹ Id. at 473.
⁴² Id. at 472.
⁴³ Id. at 333-336.
⁴⁴ Id. at 334.

by his client.” He breached the trust reposed in him by Soriano when he placed his interest above hers.⁴⁵

Comm. Cas-Refina also ruled that Atty. Arrojado violated Rule 16.04, Canon 16 of the CPR which prohibits a lawyer from lending money to his client. Atty. Arrojado acquired an interest in Soriano’s property through the money he lent to the latter. This constitutes conflict of interest and professional misconduct. Atty. Arrojado should have returned Soriano’s properties to her and pursued the proper case to recover whatever sum she owed him.⁴⁶

In its June 29, 2018 Resolution,⁴⁷ the IBP Board of Governors resolved to adopt the findings of Comm. Cas-Refina but lowered the penalty imposed to suspension of one year from the practice of law.⁴⁸ Atty. Arrojado filed a Motion for Reconsideration⁴⁹ but the IBP denied it in its June 17, 2019 Resolution.⁵⁰

Soriano filed a Verified Withdrawal/Dismissal of Complaint/Case⁵¹ dated July 10, 2019. She alleged that she simply had a misunderstanding with Atty. Arrojado regarding her properties covered by TCT Nos. T-54377 to T-54381. They amicably settled their issues and entered into a Compromise Agreement on June 28, 2019.⁵² The Compromise Agreement was approved by the RTC of Quezon City in the specific performance case filed by Atty. Arrojado, docketed as Civil Case No. R-QZN-17-14365-CV, on July 4, 2019.⁵³ Under the Compromise Agreement, Soriano agreed to withdraw her complaint against Atty. Arrojado in this case.⁵⁴ Thus, she moved for the withdrawal of her complaint because she is no longer interested in pursuing it.⁵⁵

Atty. Arrojado filed a Petition for Review⁵⁶ under Section 12(c), Rule 139-B of the Rules of Court⁵⁷ assailing the resolutions of the IBP before this Court. He insists that he did not falsify the DOA, MOA, and the DAS by forging Soriano’s signatures. These were all voluntarily executed by Soriano.⁵⁸ In fact, Soriano was the one who proposed the execution of the

⁴⁵ Id. at 472.

⁴⁶ Id. at 473.

⁴⁷ Id. at 466.

⁴⁸ Id.

⁴⁹ Id. at 474-486.

⁵⁰ Id. at 585.

⁵¹ Id. at 575-576.

⁵² Id. at 575.

⁵³ Id. at 647.

⁵⁴ Id.

⁵⁵ Id. at 575-576.

⁵⁶ Id. at 596-613.

⁵⁷ Section 12. *Review and Recommendation by the Board of Governors.* – x x x
x x x x

(c) The Board’s resolution, together with the entire records and all evidence presented and submitted, shall be transmitted to the Supreme Court for final action within ten (10) days from issuance of the resolution.

⁵⁸ *Rollo*, p. 599.

DOA and the DAS.⁵⁹ And the MOA was not prepared by Atty. Arrojado but by a certain Atty. Albert Potato.⁶⁰ Atty. Arrojado would not have filed a case for specific performance if the documents were false.⁶¹ Further, Soriano's mere denial is not sufficient proof of the falsity or forgery of the documents.⁶² More importantly, Soriano already moved for the dismissal of this case.⁶³

Atty. Arrojado denied that Soriano was his client. Soriano herself said in her affidavit dated October 7, 2008 that she never hired him.⁶⁴ She sought his help because he was from Capiz and not because he was a lawyer.⁶⁵ As for the money that he lent Soriano, Atty. Arrojado was merely charmed into giving her financial assistance.⁶⁶ He could not have denied assistance to one of the most notable figures of Philippine cinema.⁶⁷ Despite his good intentions, he admits that he should have been more mindful of his duties under the CPR.⁶⁸

The issue before Us is whether Atty. Arrojado is guilty of violating the Lawyer's Oath and the CPR.

We disagree with the IBP.

Soriano accused Atty. Arrojado of forging her signature in the DOA, MOA, and the DAS.⁶⁹ Arrojado denied this and explained that the DOA was executed by Soriano because she took pity on him for not receiving payment for his legal fees in relation to the properties. The property assigned to Atty. Arrojado under the DOA was meant to serve as payment for his legal fees.⁷⁰ With respect to the MOA, Soriano agreed to sell the properties under the MOA and receive her share from the sale.⁷¹ The MOA was meant to end the rift between Soriano and Villasis.⁷² As for the DAS, Soriano executed it as payment for her liabilities to Atty. Arrojado.⁷³

Forgery cannot be presumed but must be proven by clear, convincing and positive evidence. It is not established by mere differences in the standard signature and the questioned signatures.⁷⁴ We find that Soriano failed to prove that Atty. Arrojado forged these documents. Soriano's bare allegations will not suffice. We cannot conclude that the MOA was forged simply because it could not be found in the Registry of Deeds of Roxas City and that its notary

⁵⁹ Id. at 601.

⁶⁰ Id. at 600.

⁶¹ Id. at 601.

⁶² Id. at 599.

⁶³ Id. at 602.

⁶⁴ Id. at 603.

⁶⁵ Id. at 604.

⁶⁶ Id. at 610.

⁶⁷ Id. at 607.

⁶⁸ Id. at 611-612.

⁶⁹ Id. at 1-2.

⁷⁰ Id. at 261.

⁷¹ Id. at 13.

⁷² Id. at 601.

⁷³ Id. at 264-265.

⁷⁴ *Lingan v. Attys. Calubaquib and Baliga*, 524 Phil. 60, 67 (2006).

public was not commissioned. In addition, there is no apparent distinction between the signature of Soriano in her complaint and her signatures in the questioned documents. Therefore, it cannot be said that forgery is patent. And even though the case will not be dismissed by the mere fact that Soriano filed a verified withdrawal/dismissal of the complaint/case,⁷⁵ she has effectively undermined her allegations when she said therein that she merely had a misunderstanding with Atty. Arrojado.

Likewise, Atty. Arrojado did not violate Canon 11⁷⁶ of the CPE and Rule 16.04⁷⁷ of the CPR. A lawyer-client relationship is created when a person, in respect to business affairs or troubles of any kind, consults a lawyer with a view to obtaining professional advice or assistance, and the attorney voluntarily permits or acquiesces with the consultation.⁷⁸ Atty. Arrojado did not have a client-lawyer relationship with Soriano. Soriano herself did not allege that Atty. Arrojado was her lawyer. As pointed out by Atty. Arrojado, she stated that she never hired his services in her October 7, 2008 Affidavit.⁷⁹ The truth is Atty. Arrojado was Soriano's agent. Though it was Atty. Arrojado who approached Soriano, she admitted that she was interested in his offer to help her find buyers for her share in the properties because she could not take care of it on her own. Thus, Atty. Arrojado prepared the SPA and Soriano signed it.⁸⁰ Under the SPA, he was mandated to look for buyers, to partition the properties, if necessary, to prosecute any person asserting an opposing claim to Soriano, and to enter into any settlement regarding these claims.⁸¹ Atty. Arrojado was simply acting in accordance with the SPA when he looked for buyers for the properties and ensured that the properties were free from opposing claims.

Since Atty. Arrojado was not Soriano's lawyer, he is not bound by Rule 16.04 of the CPR which states that "[n]either shall a lawyer lend money to a client except, when in the interest of justice, he has to advance necessary expenses in a legal matter he is handling for the client."⁸² Canon 11 of the CPE is likewise inapplicable. In any event, Atty. Arrojado's acts of lending money to Soriano, settling any opposing claims on the properties, paying real property taxes, funding the construction of a road, putting up of electric posts, and ensuring a secure water supply were advantageous to Soriano. Moreover,

⁷⁵ See *Ang v. Belaro, Jr.*, A.C. No. 12408, December 11, 2019.

⁷⁶ 11. *Dealing with trust property*

The lawyer should refrain from any action whereby for his personal benefit or gain he abuses or takes advantage of the confidence reposed in him by his client.

Money of the client or collected for the client or other trust property coming into the possession of the lawyer should be reported and accounted for promptly and should not under any circumstances be commingled with his own or be used by him.

⁷⁷ Rule 16.04 A lawyer shall not borrow money from his client unless the client's interests are fully protected by the nature of the case or by independent advice. Neither shall a lawyer lend money to a client except, when in the interest of justice, he has to advance necessary expenses in a legal matter he is handling for the client.

⁷⁸ *Tria-Samonte v. Obias*, 719 Phil. 70, 78-79 (2013).

⁷⁹ *Rollo*, p. 108.

⁸⁰ *Id.* at 6.

⁸¹ *Id.* at 5.

⁸² *Supra* note 78.

We reiterate that Soriano herself admitted that she simply had a misunderstanding with Atty. Arrojado regarding the properties. There is simply no basis to say that he took advantage of her. All told, Atty. Arrojado did not commit any act which violated the CPR or the CPE.

WHEREFORE, the complaint against Atty. Joseph Advincula Arrojado is hereby **DISMISSED** for lack of merit.

SO ORDERED.”

By authority of the Court:

Mis D C Batt
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Division Clerk of Court
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01/19/21

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