



Republic of the Philippines  
**Supreme Court**  
Manila

**EN BANC**

**FERDINAND A. SAMSON,**  
Complainant,

**A.C. No. 6664**

Present:

SERENO, C.J.  
CARPIO,  
VELASCO, JR.,  
LEONARDO-DE CASTRO,  
\*BRION,  
PERALTA,  
BERSAMIN,  
DEL CASTILLO,  
ABAD,  
VILLARAMA, JR.,  
PEREZ,  
MENDOZA,  
REYES,  
PERLAS-BERNABE, and  
LEONEN, JJ.:

- *versus* -

**ATTY. EDGARDO O. ERA,**  
Respondent.

Promulgated:

JULY 16, 2013

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**DECISION**

**BERSAMIN, J.:**

An attorney who wittingly represents and serves conflicting interests may be suspended from the practice of law, or even disbarred when circumstances so warrant.

**Antecedents**

Ferdinand A. Samson has brought this complaint for disbarment charging respondent Atty. Edgardo O. Era with violation of his trust and

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\* On leave.

confidence of a client by representing the interest of Emilia C. Sison, his present client, in a manner that blatantly conflicted with his interest.

Samson and his relatives were among the investors who fell prey to the pyramiding scam perpetrated by ICS Exports, Inc. Exporter, Importer, and Multi-Level Marketing Business (ICS Corporation), a corporation whose corporate officers were led by Sison. The other officers were Ireneo C. Sison, William C. Sison, Mimosa H. Zamudio, Mirasol H. Aguilar and Jhun Sison.

Samson engaged Atty. Era to represent and assist him and his relatives in the criminal prosecution of Sison and her group. Pursuant to the engagement, Atty. Era prepared the demand letter dated July 19, 2002 demanding the return or refund of the money subject of their complaints. He also prepared the complaint-affidavit that Samson signed and swore to on July 26, 2002. Subsequently, the complaint-affidavit charging Sison and the other corporate officials of ICS Corporation with several counts of *estafa*<sup>1</sup> was presented to the Office of the City Prosecutor of Quezon City (OCPQC). After the preliminary investigation, the OCPQC formally charged Sison and the others with several counts of *estafa* in the Regional Trial Court, Branch 96 (RTC), in Quezon City.<sup>2</sup>

In April 2003, Atty. Era called a meeting with Samson and his relatives to discuss the possibility of an amicable settlement with Sison and her cohorts. He told Samson and the others that undergoing a trial of the cases would just be a waste of time, money and effort for them, and that they could settle the cases with Sison and her group, with him guaranteeing the turnover to them of a certain property located in Antipolo City belonging to ICS Corporation in exchange for their desistance. They acceded and executed the affidavit of desistance he prepared, and in turn they received a deed of assignment covering land registered under Transfer Certificate of Title No. R-4475 executed by Sison in behalf of ICS Corporation.<sup>3</sup>

Samson and his relatives later demanded from Atty. Era that they be given instead a deed of absolute sale to enable them to liquidate the property among themselves. It took some period of negotiations between them and Atty. Era before the latter delivered to them on November 27, 2003 five copies of a deed of absolute sale involving the property. However, Atty. Era told them that whether or not the title of the property had been encumbered or free from lien or defect would no longer be his responsibility. He further told them that as far as he was concerned he had already accomplished his

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<sup>1</sup> *Rollo*, Vol. I, pp. 9-11.

<sup>2</sup> *Rollo*, Vol. III, p. 4.

<sup>3</sup> *Rollo*, Vol. I, pp. 97-99.

professional responsibility towards them upon the amicable settlement of the cases between them and ICS Corporation.<sup>4</sup>

When Samson and his co-complainants verified the title of the property at the Registry of Deeds and the Assessor's Office of Antipolo City, they were dismayed to learn that they could not liquidate the property because it was no longer registered under the name of ICS Corporation but was already under the name of Bank Wise Inc.<sup>5</sup> Upon their urging, Atty. Era negotiated as their counsel with ICS Corporation.

Due to the silence of Atty. Era for sometime thereafter, Samson and his group wrote to him on September 8, 2004 to remind him about his guarantee and the promise to settle the issues with Sison and her cohorts. But they did not hear from Atty. Era at all.<sup>6</sup>

During the hearings in the RTC, Atty. Era did not anymore appear for Samson and his group. This forced them to engage another lawyer. They were shocked to find out later on, however, that Atty. Era had already been entering his appearance as the counsel for Sison in her other criminal cases in the other branches of the RTC in Quezon City involving the same pyramiding scam that she and her ICS Corporation had perpetrated.<sup>7</sup> In this regard, they established Atty. Era's legal representation of Sison by submitting several certified copies of the minutes of the proceedings in the criminal cases involving Sison and her group issued by Branch 102 and Branch 220 of the RTC in Quezon City showing that Atty. Era had appeared as the counsel of Sison in the cases for *estafa* pending and being tried in said courts.<sup>8</sup> They also submitted a certification issued on November 3, 2004 indicating that Atty. Era had visited Sison, an inmate in the Female Dormitory in Camp Karingal, Sikatuna Village, Quezon City as borne out by the blotter logbook of that unit.<sup>9</sup>

On January 20, 2005, Samson executed an affidavit alleging the foregoing antecedents, and praying for Atty. Era's disbarment on the ground of his violation of the trust, confidence and respect reposed in him as their counsel.<sup>10</sup>

Upon being required by the Court to comment on the complaint against him within 10 days from notice, Atty. Era several times sought the extension of his period to file the comment to supposedly enable him to

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<sup>4</sup> Id. at 2

<sup>5</sup> Id. at 96.

<sup>6</sup> Id. at 16.

<sup>7</sup> Id. at 65-71.

<sup>8</sup> Id. at 23-30.

<sup>9</sup> Id. at 18-30.

<sup>10</sup> Id. at 1-3.

collate documents relevant to his comment.<sup>11</sup> The Court granted his request and allowed him an extension totalling 40 days. But despite the lapse of the extended period, he did not file his comment.

On September 27, 2005, Samson reiterated his complaint for disbarment against Atty. Era.<sup>12</sup>

By its resolution dated March 1, 2006,<sup>13</sup> the Court required Atty. Era to show cause why he should not be disciplinarily dealt with or held in contempt for such failure to submit his comment.

In the comment that he subsequently filed on April 11, 2006 in the Office of the Bar Confidant,<sup>14</sup> Atty. Era alleged that the conclusion on April 23, 2002 of the compromise settlement between Samson and his group, on one hand, and Sison and her ICS Corporation, on the other, had terminated the lawyer-client relationship between him and Samson and his group; and that on September 1, 2003, he had been appointed as counsel *de officio* for Sison by Branch 102 of the RTC in Quezon City only for purposes of her arraignment.

On July 17, 2006, the Court referred the case to the Integrated Bar of the Philippines (IBP) for investigation, report and recommendation.<sup>15</sup>

In his report and recommendation dated October 1, 2007,<sup>16</sup> the Investigating Commissioner of the IBP Commission on Bar Discipline (IBP-CBD) found Atty. Era guilty of misconduct for representing conflicting interests, for failing to serve his clients with competence and diligence, and for failing to champion his clients' cause with wholehearted fidelity, care and devotion.

The Investigating Commissioner observed that the evidence did not sustain Atty. Era's claim that his legal services as counsel for Samson and his group had terminated on April 23, 2003 upon the execution of the compromise settlement of the criminal cases; that he even admitted during the mandatory conference that there was no formal termination of his legal services;<sup>17</sup> that his professional obligation towards Samson and his group as his clients did not end upon execution of the settlement agreement, because he remained duty-bound to see to it that the settlement was duly implemented; that he also had the obligation to appear in the criminal cases

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<sup>11</sup> Id. at 32-37.

<sup>12</sup> Id. at 62-63.

<sup>13</sup> Id. at 79.

<sup>14</sup> Id. at 80-82.

<sup>15</sup> Id. at 117.

<sup>16</sup> *Rollo*, Vol. III, pp. 2-15.

<sup>17</sup> Id. at 9.

until their termination; and that his acceptance of the engagement to appear in behalf of Sison invited suspicion of his double-dealing and unfaithfulness.

The Investigating Commissioner recommended that Atty. Era be suspended from the practice of law for six months, *viz*:

From the foregoing, it is clear that respondent is guilty of misconduct for representing conflicting interests, failing to serve his client, complainant herein, with competence and diligence and champion the latter's cause with wholehearted fidelity, care and devotion. It is respectfully recommended that respondent be SUSPENDED from the practice of law for a period of six (6) months and WARNED that a repetition of the same or similar act would merit a more severe penalty.<sup>18</sup>

In Resolution No. XVIII-2007-195 passed on October 19, 2007,<sup>19</sup> the IBP Board of Governors adopted and approved the report and recommendation of the Investigating Commissioner of the IBP-CBD, with the modification that Atty. Era be suspended from the practice of law for two years.

On June 9, 2012, the IBP Board of Governors passed Resolution No. XX-2012-180,<sup>20</sup> denying Atty. Era's motion for reconsideration and affirming Resolution No. XVIII-2007-195.

The IBP Board of Governors then forwarded the case to the Court pursuant to Section 12(b), Rule 139-B of the *Rules of Court*.<sup>21</sup>

On October 17, 2012, Atty. Era filed a Manifestation and Motion (With Leave of Court).<sup>22</sup> However, on November 26, 2012, the Court merely noted the manifestation, and denied the motion for its lack of merit.<sup>23</sup>

### **Ruling**

We affirm the findings of the IBP.

In his petition for disbarment, Samson charged Atty. Era with violating Canon 15 of the *Code of Professional Responsibility* for

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<sup>18</sup> Id. at 15.

<sup>19</sup> Id. at 1.

<sup>20</sup> Id. at 49.

<sup>21</sup> Section 12(b). If the Board, by the vote of a majority of its total membership, determines that the respondent should be suspended from the practice of law or disbarred, it shall issue a resolution setting forth its findings and recommendations which, together with the whole record of the case, shall forthwith be transmitted to the Supreme Court for final action.

<sup>22</sup> Temporary *rollo*, pp. 2-14.

<sup>23</sup> *Rollo*, Vol. III, pp. 67-68.

representing conflicting interests by accepting the responsibility of representing Sison in the cases similar to those in which he had undertaken to represent Samson and his group, notwithstanding that Sison was the very same person whom Samson and his group had accused with Atty. Era's legal assistance. He had drafted the demand letters and the complaint-affidavit that became the bases for the filing of the *estafa* charges against Sison and the others in the RTC in Quezon City.

Atty. Era's contention that the lawyer-client relationship ended when Samson and his group entered into the compromise settlement with Sison on April 23, 2002 was unwarranted. The lawyer-client relationship did not terminate as of then, for the fact remained that he still needed to oversee the implementation of the settlement as well as to proceed with the criminal cases until they were dismissed or otherwise concluded by the trial court. It is also relevant to indicate that the execution of a compromise settlement in the criminal cases did not *ipso facto* cause the termination of the cases not only because the approval of the compromise by the trial court was still required, but also because the compromise *would have* applied only to the civil aspect, and excluded the criminal aspect pursuant to Article 2034 of the *Civil Code*.<sup>24</sup>

Rule 15.03, Canon 15 of the *Code of Professional Responsibility* provides that: "A lawyer shall not represent conflicting interests except by written consent of all concerned given after a full disclosure of the facts." Atty. Era thus owed to Samson and his group entire devotion to their genuine interest, and warm zeal in the maintenance and defense of their rights.<sup>25</sup> He was expected to exert his best efforts and ability to preserve the clients' cause, for the unwavering loyalty displayed to his clients likewise served the ends of justice.<sup>26</sup>

In *Hornilla v. Atty. Salunat*,<sup>27</sup> the Court discussed the concept of conflict of interest in this wise:

There is conflict of interest when a lawyer represents inconsistent interests of two or more opposing parties. The test is "whether or not in behalf of one client, it is the lawyer's duty to fight for an issue or claim, but it is his duty to oppose it for the other client. In brief, if he argues for one client, this argument will be opposed by him when he argues for the other client." This rule covers not only cases in which confidential communications have been confided, but also those in which no confidence has been bestowed or will be used. Also, there is conflict of interests if the acceptance of the new retainer will require the attorney to

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<sup>24</sup> The *Civil Code* states in Article 2034 that: "There may be a compromise upon the civil liability arising from an offense; but such compromise shall not extinguish the public action for the imposition of the legal penalty. (1813)."

<sup>25</sup> Agpalo, R., *Legal Ethics*, 1989, 4<sup>th</sup> Edition, p. 157.

<sup>26</sup> *Reyes v. Vitan*, A.C. No. 5835, April 15, 2005, 456 SCRA 87, 90.

<sup>27</sup> A.C. No. 5804, July 1, 2003, 405 SCRA 220.

perform an act which will injuriously affect his first client in any matter in which he represents him and also whether he will be called upon in his new relation to use against his first client any knowledge acquired through their connection. Another test of the inconsistency of interests is whether the acceptance of a new relation will prevent an attorney from the full discharge of his duty of undivided fidelity and loyalty to his client or invite suspicion of unfaithfulness or double dealing in the performance thereof.<sup>28</sup>

The prohibition against conflict of interest rests on five rationales, rendered as follows:

x x x. First, the law seeks to assure clients that their lawyers will represent them with undivided loyalty. A client is entitled to be represented by a lawyer whom the client can trust. Instilling such confidence is an objective important in itself. x x x.

Second, the prohibition against conflicts of interest seeks to enhance the effectiveness of legal representation. To the extent that a conflict of interest undermines the independence of the lawyer's professional judgment or inhibits a lawyer from working with appropriate vigor in the client's behalf, the client's expectation of effective representation x x x could be compromised.

Third, a client has a legal right to have the lawyer safeguard the client's confidential information xxx. Preventing use of confidential client information against the interests of the client, either to benefit the lawyer's personal interest, in aid of some other client, or to foster an assumed public purpose is facilitated through conflicts rules that reduce the opportunity for such abuse.

Fourth, conflicts rules help ensure that lawyers will not exploit clients, such as by inducing a client to make a gift to the lawyer xxx.

Finally, some conflict-of-interest rules protect interests of the legal system in obtaining adequate presentations to tribunals. In the absence of such rules, for example, a lawyer might appear on both sides of the litigation, complicating the process of taking proof and compromise adversary argumentation x x x.<sup>29</sup>

The rule prohibiting conflict of interest was fashioned to prevent situations wherein a lawyer would be representing a client whose interest is directly adverse to any of his present or former clients. In the same way, a lawyer may only be allowed to represent a client involving the same or a substantially related matter that is materially adverse to the former client only if the former client consents to it after consultation.<sup>30</sup> The rule is grounded in the fiduciary obligation of loyalty.<sup>31</sup> Throughout the course of a

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<sup>28</sup> Id. at 223.

<sup>29</sup> *Law Governing Lawyers*, Restatement of the Law Third, Volume 2, 2000 Edition, American Law Institute, Washington D.C., §121.

<sup>30</sup> *Heirs of Lydio "Jerry" Falame v. Baguio*, A.C. No. 6876, March 7, 2008, 548 SCRA 1, 13.

<sup>31</sup> Kauffman, K. D., *Legal Ethics*, Delmar Learning, 2004, pp. 174-175, 207.

lawyer-client relationship, the lawyer learns all the facts connected with the client's case, including the weak and strong points of the case. Knowledge and information gathered in the course of the relationship must be treated as sacred and guarded with care. It behooves lawyers not only to keep inviolate the client's confidence, but also to avoid the appearance of treachery and double-dealing, for only then can litigants be encouraged to entrust their secrets to their lawyers, which is paramount in the administration of justice.<sup>32</sup> The nature of that relationship is, therefore, one of trust and confidence of the highest degree.<sup>33</sup>

Contrary to Atty. Era's ill-conceived attempt to explain his disloyalty to Samson and his group, the termination of the attorney-client relationship does not justify a lawyer to represent an interest adverse to or in conflict with that of the former client. The spirit behind this rule is that the client's confidence once given should not be stripped by the mere expiration of the professional employment. Even after the severance of the relation, a lawyer should not do anything that will injuriously affect his former client in any matter in which the lawyer previously represented the client. Nor should the lawyer disclose or use any of the client's confidences acquired in the previous relation.<sup>34</sup> In this regard, Canon 17 of the *Code of Professional Responsibility* expressly declares that: "A lawyer owes fidelity to the cause of his client and he shall be mindful of the trust and confidence reposed in him."

The lawyer's highest and most unquestioned duty is to protect the client at all hazards and costs even to himself.<sup>35</sup> The protection given to the client is perpetual and does not cease with the termination of the litigation, nor is it affected by the client's ceasing to employ the attorney and retaining another, or by any other change of relation between them. It even survives the death of the client.<sup>36</sup>

In the absence of the express consent from Samson and his group after full disclosure to them of the conflict of interest, therefore, the most ethical thing for Atty. Era to have done was either to outrightly decline representing and entering his appearance as counsel for Sison, or to advise Sison to engage another lawyer for herself. Unfortunately, he did neither, and should now suffer the proper sanction.

**WHEREFORE**, the Court **FINDS** and **PRONOUNCES** **Atty. EDGARDO O. ERA** guilty of violating Rule 15.03 of Canon 15, and

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<sup>32</sup> *Hilado v. David*, 84 Phil. 569, 579 (1949) cited in *Quiambao v. Bamba*, A.C. No. 6708, August 25, 2005, 468 SCRA 1, 9-10.

<sup>33</sup> *Perez v. De la Torre*, A.C. No. 6160, March 30, 2006, 485 SCRA 547, 551.

<sup>34</sup> Agpalo, *The Code of Professional Responsibility for Lawyers*, 1991, 1st Edition, p. 167, citing *Nombrado v. Hernandez*, Adm. Case No. 555, November 25, 1968, 26 SCRA 13, *Natam v. Capule*, 91 Phil. 640 (1952), *San Jose v. Cruz*, 57 Phil. 792 (1933) and *Hilado v. David*, 84 Phil. 569 (1949).

<sup>35</sup> *Id.* at 199, citing *Watkins v. Sedberry*, 261 U.S. 571, 67 L. ed. 802 (1923).

<sup>36</sup> *Bun Siong Yao v. Aurelio*, A.C. No. 7023, March 30, 2006, 485 SCRA 553, 560.

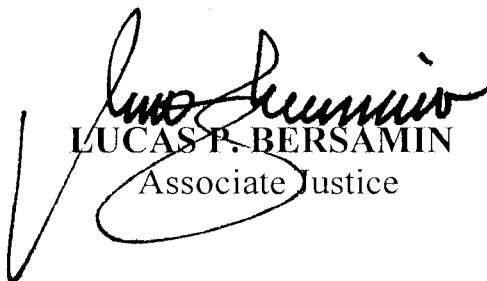


Canon 17 of the *Code of Professional Responsibility*; and **SUSPENDS** him from the practice of law for two years effective upon his receipt of this decision, with a warning that his commission of a similar offense will be dealt with more severely.

Let copies of this decision be included in the personal record of **Atty. EDGARDO O. ERA** and entered in his file in the Office of the Bar Confidant.

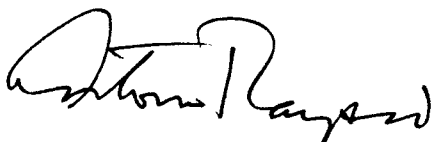
Let copies of this decision be disseminated to all lower courts by the Office of the Court Administrator, as well as to the Integrated Bar of the Philippines for its guidance.


**SO ORDERED.**


  
**LUCAS P. BERSAMIN**  
Associate Justice

**WE CONCUR:**

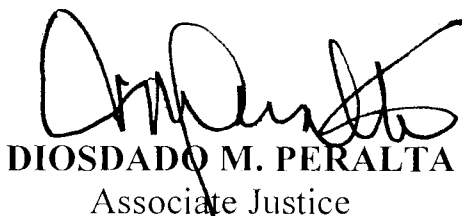
  
**MARIA LOURDES P. A. SERENO**  
Chief Justice

  
**ANTONIO T. CARPIO**  
Associate Justice

  
**PRESBITERO J. VELASCO, JR.**  
Associate Justice

  
**TERESITA J. LEONARDO-DE CASTRO**  
Associate Justice

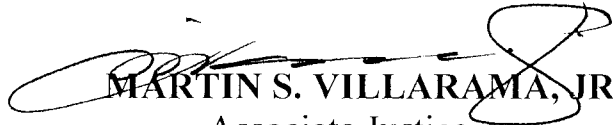
(On Leave)  
**ARTURO D. BRION**  
Associate Justice

  
**DIOSDADO M. PERALTA**  
Associate Justice

  
**MARIANO C. DEL CASTILLO**  
Associate Justice



**ROBERTO A. ABAD**  
Associate Justice



**MARTIN S. VILLARAMA, JR.**  
Associate Justice



**JOSE PORTUGAL PEREZ**  
Associate Justice



**JOSE CATRAL MENDOZA**  
Associate Justice



**BIENVENIDO L. REYES**  
Associate Justice



**ESTELA M. PERLAS-BERNABE**  
Associate Justice



**MARVIC MARIO VICTOR F. LEONEN**  
Associate Justice