



Republic of the Philippines
Supreme Court
Baguio City

EN BANC

PHILCOMSAT* HOLDINGS
CORPORATION, duly
represented by ERLINDA I.
BILDNER,

Complainant,

- versus -

ATTY. LUIS K. LOKIN, JR.
and ATTY. SIKINI C.
LABASTILLA,

Respondents.

A.C. No. 11139

Present:

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

Promulgated:

April 19, 2016

[Signature]

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DECISION

PERLAS-BERNABE, J.:

For the Court's resolution is a Complaint¹ dated August 20, 2009 filed by complainant PHILCOMSAT Holdings Corporation, represented by

* "PHILCOMSAT" stands for "Philippine Communications Satellite Corporation."

** No part.

*** No part.

**** No part.

***** No part.

***** No part.

¹ Rollo, Vol. I, pp. 374-385. (NB: page numbers are apparently misarranged.)

Erlinda I. Bildner² (complainant), against respondents Atty. Luis K. Lokin, Jr. (Atty. Lokin, Jr.) and Atty. Sikini C. Labastilla (Atty. Labastilla; collectively, respondents) before the Commission on Bar Discipline of the Integrated Bar of the Philippines (IBP), praying for the disbarment of respondents for insinuating that the Sandiganbayan received the amount of ₱2,000,000.00 in exchange for the issuance of a temporary restraining order (TRO).

The Facts

The Complaint alleged that sometime in June 2007, the Senate, through its Committee on Government Corporations and Public Enterprises, conducted an investigation concerning the anomalies that plagued the PHILCOMSAT group of companies, which includes complainant, particularly in its huge disbursements of monies and/or assets. In the course of the said investigation, the Senate examined various financial records and documents of the company, which at that time, were under the control and management of Atty. Lokin, Jr. and his co-directors. Among the records examined by the Senate was an entry in complainant's checkbook stub which reads "Cash for Sandiganbayan, tro, potc-philcomsat case - ₱2,000,000"³ (subject checkbook entry). It was then discovered that the check was issued in connection with complainant's injunction case against Philippine Overseas Telecommunications Corporation (POTC) before the Sandiganbayan, which was filed by Atty. Lokin, Jr.'s group, as its representatives, with Atty. Labastilla as its external counsel (POTC case). As the investigation was publicized by the media, the Sandiganbayan learned about the subject checkbook entry and, accordingly, *motu proprio* initiated indirect contempt proceedings against respondents, along several others, which was docketed as Case No. SB-07-SCA-005⁴ (indirect contempt case).⁵

After due proceedings, the Sandiganbayan promulgated a Resolution⁶ dated May 7, 2009, finding respondents guilty beyond reasonable doubt of indirect contempt and, accordingly, sentenced each of them to pay a fine in the amount of ₱30,000.00 and to suffer imprisonment for a period of six (6) months.⁷ In finding respondents guilty, the Sandiganbayan opined that: (a) any person reading the subject checkbook entry would come to the conclusion that a check in the amount of ₱2,000,000.00 was issued to the Sandiganbayan in exchange for the latter's issuance of a TRO, thereby degrading its integrity and honor; (b) Atty. Lokin, Jr. caused the creation of

² Erlinda I. Bildner is presently the director and treasurer of PHILCOMSAT Holdings Corporation (see id. at 376).

³ Id.

⁴ Entitled "*In Re: Contempt Proceedings against Johnny Tan, Manuel Nieto, Philip Brodett, Atty. Luis K. Lokin, Jr., Enrique/Henry Locsin, Atty. Sikini Labastilla and Virgilio Santos.*" See id. at 387 and 745.

⁵ Id. at 376-377.

⁶ Id. at 745-756. Penned by Associate Justice Rodolfo A. Ponferrada with Associate Justices Norberto Y. Galdames and Efren N. De La Cruz concurring.

⁷ Id. at 755A-756.

the said entry in complainant's checkbook which as testified upon by complainant's bookkeeper, Desideria D. Casas, was the proximate cause thereof;⁸ and (c) circumstantial evidence showed that Atty. Labastilla conspired with Atty. Lokin, Jr. in causing such contemptuous entry, considering, *inter alia*, that the former was the counsel who applied for a TRO and that he admitted receipt of the proceeds of the check, although allegedly for legal fees⁹ and that Sheriffs Manuel Gregorio Mendoza Torio and Romulo C. Barrozo of the Sandiganbayan similarly testified that such TRO was only effected/served upon payment of the corresponding fees.¹⁰

Following the promulgation of the Sandiganbayan's May 7, 2009 Resolution, the complainant instituted the instant complaint.

In his defense, Atty. Lokin, Jr. maintained that he did not perform acts violative of the Code of Professional Responsibility (CPR), insisting that the Sandiganbayan's findings in the indirect contempt case were erroneous and contrary to the pertinent evidence and records. He likewise pointed out that the Sandiganbayan ruling was appealed – albeit not by him but by Atty. Labastilla – to the Court, *i.e.*, G.R. No. 187699,¹¹ which appeal remains unresolved. Therefore, it cannot be the basis for his administrative liability.¹²

For his part, Atty. Labastilla harped on the fact that an appeal questioning the Sandiganbayan ruling is still pending before the Court; thus, it was premature to file an administrative complaint against him. He further maintained that he had no participation in the creation of the subject checkbook entry and, even if he had any such participation, there was nothing contemptuous about it.¹³

The IBP's Report and Recommendation

In a Report and Recommendation¹⁴ dated January 23, 2013, the IBP Investigating Commissioner found Atty. Lokin, Jr. administratively liable and, accordingly, recommended that he be meted the penalty of suspension from the practice of law for a period of one (1) year. However, Atty. Labastilla was absolved from any administrative liability.¹⁵

Similar to the Sandiganbayan, the IBP Investigating Commissioner found Atty. Lokin, Jr. responsible for the creation of the subject checkbook entry. In this relation, it was pointed out that while Atty. Lokin, Jr. offered

⁸ Id. at 723 and 750.

⁹ Id. at 753-755-A.

¹⁰ Id. at 751-752.

¹¹ Entitled "*Atty. Sikini C. Labastilla v. Hon. Sandiganbayan (First Division)*."

¹² See Answer dated December 9, 2009; *rollo*, Vol. I, pp. 483-503. See also *rollo*, Vol. II, pp. 142-144.

¹³ See Answer dated January 8, 2010; *rollo*, Vol. I, pp. 540-566. See also *rollo*, Vol. II, pp. 144-145.

¹⁴ *Rollo*, Vol. II, pp. 135-155. Penned by Commissioner Mario V. Andres.

¹⁵ Id. at 155.

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an explanation regarding the said entry, such explanation was more in the nature of an avoidance and confession posturing, and therefore, was not helpful to his cause as it only served to further implicate him in the making of the aforesaid entry.¹⁶

On the other hand, the IBP Investigating Commissioner found no evidence showing that Atty. Labastilla had any participation in the making of the subject checkbook entry, and as such, could not be reasonably implicated therein. In absolving Atty. Labastilla, the IBP Investigating Commissioner stressed that the instant administrative case's concern was only with the actual making of the subject checkbook entry, and not as to whether Atty. Labastilla actually participated in the disbursement of the proceeds of the check and/or in the attempt to bribe any officials and employees of the Sandiganbayan to obtain a TRO.¹⁷

In a Resolution¹⁸ dated March 21, 2013, the IBP Board of Governors adopted and approved the aforesaid report and recommendation. Atty. Lokin, Jr. moved for reconsideration,¹⁹ but the same was denied in a Resolution²⁰ dated June 6, 2015 with modification increasing the recommended period of suspension from the practice of law to three (3) years.

The Issue Before the Court

The essential issue in this case is whether or not respondents should be held administratively liable.

The Court's Ruling

As will be explained hereunder, the Court: (a) concurs with the IBP's findings as to Atty. Lokin, Jr.'s administrative liability; and (b) disagrees with the IBP's recommendation to absolve Atty. Labastilla from administrative liability.

At the outset, the Court notes that the indirect contempt case originally filed before the Sandiganbayan is in the nature of a criminal contempt.²¹ "[C]riminal contempt is conduct that is directed against the dignity and authority of the court or a judge acting judicially; it is an act

¹⁶ Id. at 146-148.

¹⁷ Id. at 148.

¹⁸ See Notice of Resolution No. XX-2013-333 signed by National Secretary Nasser A. Marohomsalic; id. at 133-134.

¹⁹ See Motion for Reconsideration (Re: Resolution No. XX-2013-333) dated July 5, 2013; id. at 156-174.

²⁰ See Notice of Resolution No. XXI-2015-416; id. at 348-349.

²¹ See *rollo*, Vol. I, pp. 753-754.

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obstructing the administration of justice which tends to bring the court into disrepute or disrespect.”²² “[C]riminal contempt, being directed against the dignity and authority of the court, is an offense against organized society and, in addition, is also held to be an offense against public justice which raises an issue between the public and the accused, and the proceedings to punish it are punitive.”²³

Since the indirect contempt case is criminal in nature, respondents cannot insist that the filing of an administrative case against them on the basis of the Sandiganbayan’s ruling in the aforesaid case is premature on the premise that their conviction has not attained finality. It is well-settled that a disbarment proceeding is separate and distinct from a criminal action filed against a lawyer despite being involved in the same set of facts. Case law instructs that a finding of guilt in the criminal case will not necessarily result in a finding of liability in the administrative case. Conversely, the lawyer’s acquittal does not necessarily exculpate them administratively.²⁴ In *Spouses Saunders v. Pagano-Calde*:²⁵

[A]dministrative cases against lawyers belong to a class of their own. They are distinct from and they may proceed independently of criminal cases. A criminal prosecution will not constitute a prejudicial question even if the same facts and circumstances are attendant in the administrative proceedings. Besides, it is not sound judicial policy to await the final resolution of a criminal case before a complaint against a lawyer may be acted upon; otherwise, this Court will be rendered helpless to apply the rules on admission to, and continuing membership in, the legal profession during the whole period that the criminal case is pending final disposition, when the objectives of the two proceedings are vastly disparate. **Disciplinary proceedings involve no private interest and afford no redress for private grievance. They are undertaken and prosecuted solely for the public welfare and for preserving courts of justice from the official ministrations of persons unfit to practice law.** The attorney is called to answer to the court for his conduct as an officer of the court.”²⁶ (Emphases and underscoring supplied)

To note, while it is undisputed that Atty. Labastilla indeed filed a petition before the Court questioning the Sandiganbayan ruling, *i.e.*, G.R. No. 187699, records are bereft of any showing that Atty. Lokin, Jr. joined Atty. Labastilla in said petition or that he separately filed an appeal on his own. Thus, the Sandiganbayan ruling had long become deemed final and executory as to him. Moreover, Atty. Labastilla’s appeal before the Court was already resolved through a Minute Resolution²⁷ dated August 3, 2009 denying the same for failure to sufficiently show that the Sandiganbayan

²² *Fortun v. Quinsayas*, G.R. No. 194578, February 13, 2013, 690 SCRA 623, 637, citing *People v. Godoy*, 312 Phil. 977, 999 (1995).

²³ *Id.*

²⁴ See *Bengco v. Bernardo*, A.C. No. 6368, June 13, 2012, 672 SCRA 8, 19, citing *Gatchalian Promotions Talents Pools, Inc. v. Naldoza*, 374 Phil. 1, 10 (1999).

²⁵ See A.C. No. 8708, August 12, 2015.

²⁶ *Id.*, citing *Yu v. Palaña*, 580 Phil. 19, 26 (2008).

²⁷ *Rollo*, Vol. I, p. 627.

committed any reversible error in issuing the challenged ruling. Atty. Labastilla twice moved for reconsideration, but were denied with finality in Resolutions dated February 1, 2010²⁸ and August 11, 2010.²⁹ In light of the foregoing, the Sandiganbayan's ruling that respondents committed contumacious acts which tend to undermine and/or denigrate the integrity of such court has become final and executory and, thus, conclusive as to them, at least in the indirect contempt case.³⁰

In this administrative case, the Court, after a thorough assessment of the merits of the case, finds itself in agreement with the IBP's finding that the subject checkbook entry contained a contumacious imputation against the Sandiganbayan, *i.e.*, that a check in the amount of ₱2,000,000.00 was issued and given to the Sandiganbayan in order to secure a favorable TRO in the POTC case. As the records show, Atty. Lokin, Jr. was the one who caused the making of the subject checkbook entry, considering that: (a) during the time the said entry was made, complainant's financial records and documents were under his and his co-directors' control and management; (b) the complainant's bookkeeper, Desideria D. Casas, categorically testified that it was Atty. Lokin, Jr. who requested for the issuance and disbursement of the check in the amount of ₱2,000,000.00, and that he was also the one who instructed her to write the subject checkbook entry in the complainant's checkbook;³¹ (c) Atty. Lokin, Jr. never denied participation and knowledge of the issuance of the check and the consequent creation of the subject checkbook entry;³² and (d) when asked to explain during the Senate investigation, Atty. Lokin, Jr. failed to give a credible justification for the making of such entry, and instead, resorted to avoidance and confession posturing.³³ Thus, the IBP correctly concluded that Atty. Lokin, Jr. caused the making of the subject checkbook entry in complainant's financial records.

However, the Court does not agree with the IBP's finding that Atty. Labastilla could not reasonably be implicated in the making of the subject checkbook entry. The Court is more inclined to concur with the Sandiganbayan's findings in the indirect contempt case that Atty. Labastilla also had a hand, direct or indirect, in the creation of the subject checkbook entry in light of the following circumstances: (a) he was complainant's external counsel who applied for the TRO in the POTC case; (b) he admitted receipt of the proceeds of the check in the amount of ₱2,000,000.00,

²⁸ See Third Division Minute Resolution dated February 1, 2010 in G.R. No. 187699.

²⁹ See Second Division Minute Resolution dated August 11, 2010 in G.R. No. 187699.

³⁰ "In *In Re: Disbarment of Rodolfo Pajo* [(203 Phil. 79, 83 (1983))], the Court held that in disbarment cases, it is no longer called upon to review the judgment of conviction which has become final. The review of the conviction no longer rests upon this Court." (*Re: SC Decision Dated May 20, 2008 in G.R. No. 161455 under Rule 139-B of the Rules of Court v. Pactolin*, A.C. No. 7940, April 24, 2012, 670 SCRA 366, 370.)

³¹ See *rollo*, Vol. I, pp. 723 and 750.

³² See *rollo*, Vol. II, p. 148.

³³ See *rollo*, Vol. II, p. 148; see *rollo*, Vol. I, pp. 713-714.

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although allegedly for legal fees but with no supporting evidence therefor;³⁴ (c) the TRO was only effected/served upon payment of the corresponding fees per the testimonies of Sheriffs Manuel Gregorio Mendoza Torio and Romulo C. Barrozo of the Sandiganbayan;³⁵ and (d) the TRO and the aforesaid check were both dated September 23, 2005, thereby establishing an unmistakable connection between the TRO and the check.³⁶ Moreover, and as correctly pointed out by complainant, while Atty. Labastilla claims that he received the amount of ₱2,000,000.00 as payment for his legal fees, he failed to properly account the aforesaid amount.³⁷ In addition, complainant's summary of legal fees paid to Atty. Labastilla did not reflect the ₱2,000,000.00 check which he purportedly received as legal fees.³⁸ Therefore, Atty. Labastilla should also be held administratively liable for his complicity in the making of the subject checkbook entry.

As members of the Bar, respondents should not perform acts that would tend to undermine and/or denigrate the integrity of the courts, such as the subject checkbook entry which contumaciously imputed corruption against the Sandiganbayan. It is their sworn duty as lawyers and officers of the court to uphold the dignity and authority of the courts. Respect for the courts guarantees the stability of the judicial institution; without this guarantee, the institution would be resting on very shaky foundations.³⁹ This is the very thrust of Canon 11 of the CPR, which provides that "[a] lawyer shall observe and maintain the respect due to the courts and to judicial officers and should insist on similar conduct by others." Hence, lawyers who are remiss in performing such sworn duty violate the aforesaid Canon 11, and as such, should be held administratively liable and penalized accordingly, as in this case.

Furthermore, Canon 7 of the CPR commands every lawyer to "at all times uphold the integrity and dignity of the legal profession" for the strength of the legal profession lies in the dignity and integrity of its members. It is every lawyer's duty to maintain the high regard to the profession by staying true to his oath and keeping his actions beyond reproach.⁴⁰ It must be reiterated that as an officer of the court, it is a lawyer's sworn and moral duty to help build and not destroy unnecessarily that high esteem and regard towards the courts so essential to the proper administration of justice; as acts and/or omissions emanating from lawyers which tend to undermine the judicial edifice is disastrous to the continuity of

³⁴ "A party alleging a critical fact must support his allegation with substantial evidence for any decision based on unsubstantiated allegation cannot stand as it will offend due process." (*General Milling Corporation v. Casio*, 629 Phil. 12, 33 (2010), citing *Great Southern Maritime Services Corporation v. Acuña*, 492 Phil. 518, 530-531 (2005).

³⁵ See *rollo*, Vol. I, pp. 751-752.

³⁶ See *id.* at 755-755A.

³⁷ See *id.* at 735-736.

³⁸ See Recap of Sikini C. Labastilla's Legal & Professional Fees Paid by PHC [(PHILCOMSAT)]; *id.* at 767.

³⁹ See *Baculi v. Battung*, 674 Phil. 1, 8-9 (2011), citing *Roxas v. De Zuzuarregui, Jr.*, 554 Phil. 323, 341-342 (2007).

⁴⁰ See *Francia v. Abdon*, A.C. No. 10031, July 23, 2014, 730 SCRA 341, 354.


the government and to the attainment of the liberties of the people. Thus, all lawyers should be bound not only to safeguard the good name of the legal profession, but also to keep inviolable the honor, prestige, and reputation of the judiciary.⁴¹ In this case, respondents compromised the integrity of the judiciary by maliciously imputing corrupt motives against the Sandiganbayan through the subject checkbook entry. Clearly, respondents also violated Canon 7 of the CPR and, thus, should be held administratively liable therefor.

Anent the proper penalty to be meted to respondents, jurisprudence provides that in similar cases where lawyers perform acts which tend to erode the public confidence in the courts, put the courts in a bad light, and bring the justice system into disrepute, the Court imposed upon them the penalty of suspension from the practice of law. In *Baculi v. Battung*,⁴² the Court meted the aforesaid penalty to a lawyer for his disrespect to the courts, to the point of being scandalous and offensive to the integrity of the judicial system itself. Under the foregoing circumstances, the Court imposes upon Atty. Labastilla the penalty of suspension from the practice of law for a period of one (1) year for his complicity in the making of the subject checkbook entry. On the other hand, since Atty. Lokin, Jr. was the one directly responsible for the making of the subject checkbook entry, the Court deems it appropriate to impose upon him the graver penalty of suspension from the practice of law for a period of three (3) years, as recommended by the IBP.

WHEREFORE, respondents Atty. Luis K. Lokin, Jr. and Atty. Sikini C. Labastilla are found **GUILTY** of violating Canons 7 and 11 of the Code of Professional Responsibility. Accordingly, Atty. Luis K. Lokin, Jr. is hereby **SUSPENDED** from the practice of law for a period of three (3) years, while Atty. Sikini C. Labastilla is hereby **SUSPENDED** from the practice of law for a period of one (1) year, effective upon the receipt of this Decision, with a stern warning that a repetition of the same or similar acts will be dealt with more severely.

Let copies of this Decision be attached to respondents' personal record as members of the Bar. Likewise, let copies of the same be served on the Integrated Bar of the Philippines and on the Office of the Court Administrator for circulation to all courts in the country for their information and guidance.

SO ORDERED.


ESTELA M. PERLAS-BERNABE
Associate Justice

⁴¹ See id. at 354-355.

⁴² Supra note 39.

WE CONCUR:

Maria Lourdes P. A. Sereno
MARIA LOURDES P. A. SERENO
 Chief Justice

No part due to prior inhibition Antonio T. Carpio
ANTONIO T. CARPIO
 Associate Justice

(No part due to relationship to a party)
PRESBITERO J. VELASCO, JR.
 Associate Justice

No part due to prior participation in a related case: Perito Leonardo de Castro
TERESITA J. LEONARDO-DE CASTRO
 Associate Justice

Arturo D. Brion
ARTURO D. BRION
 Associate Justice

No part due to prior participation in a related case in Sandiganbayan
DIOSDADO M. PERALTA
 Associate Justice

Lucas P. Bersamin
LUCAS P. BERSAMIN
 Associate Justice

Jose Portugal Perez
JOSE PORTUGAL PEREZ
 Associate Justice

Mariano C. Del Castillo
MARIANO C. DEL CASTILLO
 Associate Justice

Jose Catral Mendoza
JOSE CATRAL MENDOZA
 Associate Justice

Bienvenido L. Reyes
BIENVENIDO L. REYES
 Associate Justice

Marvic M. V. F. Leonen
MARVIC M. V. F. LEONEN
 Associate Justice

Francis H. Jardeleza
FRANCIS H. JARDELEZA
 Associate Justice

Alfredo Benjamin S. Caguioa
ALFREDO BENJAMIN S. CAGUIOA
 Associate Justice

(No part due to relationship to a party)

CERTIFIED XEROX COPY:

Felipa B. Anama
FELIPA B. ANAMA
 CLERK OF COURT, EN BANC
 SUPREME COURT