



Republic of the Philippines
Supreme Court
Manila

FIRST DIVISION

NOTICE

Sirs/Mesdames:

*Please take notice that the Court, First Division, issued a Resolution dated **January 25, 2023** which reads as follows:*

“**A.C. No. 13208 [Formerly CBD Case No. 18-5557] (Joselito Entrampas v. Atty. Simplicio B. Bermejo, Jr.)**.—This case concerns a *Sinumpaang Salaysay*¹ dated October 9, 2017 filed by complainant Joselito Entrampas (Entrampas) before the Integrated Bar of the Philippines (IBP) against Atty. Simplicio B. Bermejo, Jr. (Atty. Bermejo), for allegedly not returning the money due to the complainant from the judgment award of the labor tribunals.

The Facts

Entrampas engaged the services of Atty. Bermejo in order to claim total and permanent disability benefits in a labor case. Based on their agreement, Atty. Bermejo would receive a 20% contingency fee from the judgment award in favor of Entrampas. Subsequently, the Labor Arbiter (LA)² awarded USD 60,000.00 plus 10% attorney’s fees on the total monetary award or its peso equivalent at the time of payment. On appeal, the National Labor Relations Commission (NLRC)³ affirmed the LA’s ruling.⁴

Entrampas assented to a Conditional Satisfaction of Judgment.⁵ He received the peso equivalent of USD 66,000.00 or PHP 2,952,510.00, under the condition that such receipt would be without prejudice to the outcome of the appeal of the labor case before the Court of Appeals (CA) and this Court.⁶

Yet, Entrampas claimed that based on the stipulated contingency fee of 20% of the judgment award amounting to PHP 2,952,510.00, Atty. Bermejo should only receive PHP 355,502.00. Allegedly, Atty. Bermejo withheld PHP

¹ *Rollo*, Vol. I [Vol. I of IBP folder], p. 1; docketed as CBD Case No. 18-5557.

² *Rollo*, Vol. I [Vol. II of IBP folder], pp. 205-215.

³ *Id.* at 255-263, 275-276.

⁴ *Rollo*, Vol. II, p. 504.

⁵ *Rollo*, Vol. I [Vol. I of IBP folder], pp. 12-17; Vol. I [Vol. II of IBP folder], pp. 320-322, 324-326.

⁶ *Rollo*, Vol. II, p. 504.

1,380,805.50, an amount higher than the agreed 20% contingency fee.⁷ Notably, though, there are discrepancies in Entrampas' claimed amounts.

In his handwritten Letter⁸ to the Director of the Commission on Bar Discipline (CBD) of the IBP, Entrampas alleged for the first time that he only agreed to part with PHP 300,000.00 since Atty. Bermejo informed him that it would be used as a bribe at the NLRC. However, after inquiring at the NLRC, he discovered that Atty. Bermejo never used it for the intended purpose. Entrampas stated in his Position Paper that Atty. Bermejo paid an additional PHP 100,000.00 to pay off the LA. Hence, Entrampas claimed that Atty. Bermejo used a total of PHP 400,000.00 as bribe. Relevantly, Entrampas only raised these allegations after the termination of the mandatory conference hearing before the IBP.⁹

In his Position Paper,¹⁰ Entrampas further claimed that the 20% contingency fee is invalid since it was just an oral agreement, and even if it were in writing, it should only be 10% of the total monetary award judging from the circumstances.¹¹

For his part, Atty. Bermejo averred¹² that Entrampas engaged his services for a 20% contingency fee based on the total monetary award the latter would receive. The payment of the said fee is dependent upon the success of the case. Entrampas consented to these terms by signing a Contract of Services.¹³ In view of this, Atty. Bermejo rendered his services from October 17, 2013 to November 27, 2017. Through Atty. Bermejo's efforts, Entrampas also successfully claimed sickness allowance¹⁴ amounting to PHP 159,000.00, which the latter received in full. Further, Atty. Bermejo secured a favorable judgment, which eventually resulted in the parties' execution of the Conditional Satisfaction of Judgment.¹⁵

During the conference before the LA, Entrampas was informed of the consequences of signing the Conditional Satisfaction of Judgment – that it would be without prejudice to the filing of a petition before the CA. Despite this, Entrampas agreed and personally received the check amounting to PHP 2,952,510.00¹⁶ in the presence of the LA. Afterwards, Entrampas and Atty. Bermejo proceeded to the Citibank, Makati Branch to encash the said check, which the former processed and received in person. Entrampas turned over to Atty. Bermejo the equivalent of the 20% contingency fee or PHP 590,502.00.

⁷ Id.

⁸ *Rollo*, Vol. II, pp. 504-505.

⁹ Id.

¹⁰ *Rollo*, Vol. I [Vol. I of IBP folder], pp. 60-63.

¹¹ *Rollo*, Vol. II, p. 505.

¹² *Rollo*, Vol. I [Vol. I of IBP folder], pp. 37-42; 71-110, 115-127.

¹³ *Rollo*, Vol. I [Vol. II of IBP folder], p. 43.

¹⁴ Id. at 198, 200, 204.

¹⁵ *Rollo*, Vol. II, pp. 505-506.

¹⁶ Id. at 283.

In addition, Entrampas paid PHP 46,433.28 as reimbursement for the expenses which Atty. Bermejo incurred in handling the labor case, for a total of PHP 636,796.88.¹⁷ Before they parted ways, Entrampas gave PHP 2,000.00 for the purpose of buying *merienda* for Atty. Bermejo's office staff, and then shook the latter's hand in light of the successful claim of disability benefits.¹⁸

The Affidavits executed by Nonito D. Icyan¹⁹ and Cesar B. Gensola²⁰ corroborated Atty. Bermejo's narration of what transpired when Entrampas encashed the check and turned over some of the money to the respondent-lawyer.

According to Atty. Bermejo, after Entrampas received the money, the latter no longer communicated with him from August 11, 2015 onwards. Meanwhile, Atty. Bermejo still handled Entrampas' labor case before the CA²¹ until it reached this Court.²²

On January 18 to 19, 2017, Entrampas sent a text message to Atty. Bermejo not to inquire about the pending appeal before the CA, but to borrow money. From January 2017 to July 2017, Entrampas repeatedly messaged Atty. Bermejo merely to borrow cash, until the latter finally decided to send PHP 2,000.00. After a few weeks, Entrampas contacted Atty. Bermejo again with the same intent, asking for PHP 2,500.00. Out of compassion, Atty. Bermejo lent the money. This predicament continued until September 2017 and Entrampas' total borrowed amount ballooned to PHP 280,000.00.²³

Unfortunately, Entrampas reported Atty. Bermejo to Mr. Ramon Tulfo and threatened to destroy his reputation as a lawyer before the seafarer community in order to pressure him into giving more money. When Atty. Bermejo explained his side to Mr. Ramon Tulfo's staff, they understood the situation and no longer acted on behalf of Entrampas.²⁴

Because of this incident, Atty. Bermejo reported²⁵ the extortion and harassment before the National Bureau of Investigation (NBI) and Philippine National Police, Parañaque City on October 3 and 9, 2017, respectively, for the conduct of entrapment operations. However, Entrampas filed the instant administrative case against Atty. Bermejo.²⁶

Eventually, the CA and this Court upheld the labor tribunals' rulings

¹⁷ It should be noted that in the Contract of Services, there is a provision which states that the client should reimburse the counsel for the expenses in handling the case.

¹⁸ *Rollo*, Vol. II, pp. 506-507.

¹⁹ *Rollo*, Vol. I [Vol. II of IBP folder], pp. 327-329.

²⁰ *Id.* at 331-332.

²¹ *Rollo*, Vol. II, p. 507; Vol. I, [Vol. II of IBP folder], pp. 383-393, 507-508.

²² *Rollo*, Vol. II, pp. 494, 496.

²³ *Rollo*, Vol. II, pp. 507-508; Vol. I [Vol. II of IBP folder], pp. 358-359, 428-503.

²⁴ *Rollo*, Vol. II, p. 508.

²⁵ *Rollo*, Vol. I [Vol. II of IBP folder], pp. 504-506.

²⁶ *Rollo*, Vol. II, p. 508.

favoring Entrampas. An Entry of Judgment was issued on June 7, 2018.²⁷

Report and Recommendation of the Integrated Bar of the Philippines

In a Report and Recommendation²⁸ dated November 27, 2018, the Investigating Commissioner of the IBP-CBD recommended the dismissal of the instant complaint against Atty. Bermejo for lack of merit.

The Investigating Commissioner pointed out that a contingent fee arrangement is valid in this jurisdiction and must be expressly stated in a contract. Atty. Bermejo submitted a copy of the Contract of Services which provides that Entrampas adheres to a success fee of “20% Atty’s Fee based on Award/Money Received by Client” and that the former would not charge any acceptance or appearance fees. Simply put, Entrampas should pay Atty. Bermejo if there is a favorable ruling in the labor case and the judgment award is collected. Nonetheless, long after Entrampas received his award, and more than a year later, he filed the instant administrative complaint. He did not question the validity of the contingency fee but rather assailed the computation of the said contingency fee.²⁹

Significantly, the Investigating Commissioner found that:

4.4. Based on the evidence on record, [the Investigating Commissioner] is inclined to give more credence to the position of [Atty. Bermejo] that [Entrampas] actually received the amount of P2,315,574.22. The said amount represents the judgment award of P2,952,510.00 less 20% contingency fee of P590,502.00 and [Atty. Bermejo’s] reimbursement expenses amounting to P46,433.28 or a total of P636,796.88 (plus P2,000.00 for the office staff of [Atty. Bermejo]). In addition to the amount of P2,315,574.72 received by [Entrampas] from the Judgment Award, he received an additional P159,000.00 from the Danish Maritime Authority through the efforts of [Atty. Bermejo]. Finally, through [Entrampas’] harassment, he was able to extort an additional P280,000.00 from [Atty. Bermejo].³⁰

The Investigating Commissioner further noted that contrary to Entrampas’ claim that Atty. Bermejo should only be entitled to 10% attorney’s fees, the 20% contingency fee was justified based on the time spent and extent of services rendered, as well as the amount involved and benefits garnered by the client.³¹

As regards Entrampas’ claim about the bribe, the Investigating Commissioner found that there is absolutely no evidence to prove such

²⁷ Id.

²⁸ Id. at 502-514. Penned by Commissioner Leland R. Villadolid, Jr.

²⁹ Id. at 509-510.

³⁰ Id. at 510.

³¹ Id. at 510-512.

allegation. “In this case, the inconsistent amounts alleged as bribe money; the belated accusations of bribery; the harassing text messages all with the objective of extorting money from [Atty. Bermejo], more than convinces the [Investigating Commissioner] that there is absolutely no factual basis to support a finding of criminal and/or unethical conduct on the part of [Atty. Bermejo]. Indeed, [Atty. Bermejo] should even be commended for winning the case and obtaining a monetary judgment for [Entrampas]. More importantly, he has continued to handle the appeal of the case by the opposing parties and successfully defended the decision before the Court of Appeals and [the] Supreme Court.”³²

Entrampas failed to prove with substantial evidence the allegations in his Complaint. Thus, the presumption that Atty. Bermejo has regularly performed his duties should prevail.³³

In Resolution³⁴ No. CBD-2020-09-12 dated September 12, 2020, the IBP-Board of Governors resolved to adopt and approve the findings and recommendation of the Investigating Commissioner to dismiss the complaint, stating that such are supported by the evidence on record as well as the applicable laws and rules.

Our Ruling

The Court adopts and approves the findings and recommendation of the IBP to dismiss the case.

Looking at Entrampas’ allegations, and since he did not specify, he basically averred that Atty. Bermejo violated Canon 13 of the Canons of Professional Ethics, which states:

13. Contingent fees

A contract for a contingent fee, where sanctioned by law, should be reasonable under all the circumstances of the case including the risk and uncertainty of the compensation, but should always be subject to the supervision of a court, as to its reasonableness.

Likewise, Entrampas implied in his allegations that Atty. Bermejo violated the following provisions of the Code:

Rule 15.06. - A lawyer shall not state or imply that he [or she] is able to influence any public official, tribunal or legislative body.

x x x x

³² Id. at 513.

³³ Id.

³⁴ Id. at 500-501.

CANON 16 - A LAWYER SHALL HOLD IN TRUST ALL MONEYS AND PROPERTIES OF HIS [OR HER] CLIENT THAT MAY COME INTO HIS [OR HER] POSSESSION.

Rule 16.01 - A lawyer shall account for all money or property collected or received for or from the client.

Rule 16.02 - A lawyer shall keep the funds of each client separate and apart from his [or her] own and those of others kept by him [or her].

Rule 16.03 - A lawyer shall deliver the funds and property of his [or her] client when due or upon demand. However, he [or she] shall have a lien over the funds and may apply so much thereof as may be necessary to satisfy his [or her] lawful fees and disbursements, giving notice promptly thereafter to his [or her] client. He shall also have a lien to the same extent on all judgments and executions he [or she] has secured for his [or her] client as provided for in the Rules of Court.

Rule 16.04 - A lawyer shall not borrow money from his [or her] client unless the client's interest[s] 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 [or she] has to advance necessary expenses in a legal matter he [or she] is handling for the client.

x x x x

CANON 20 - A LAWYER SHALL CHARGE ONLY FAIR AND REASONABLE FEES.

Rule 20.01 - A lawyer shall be guided by the following factors in determining his [or her] fees:

(a) the time spent and the extent of the service rendered or required;

(b) the novelty and difficulty of the questions involved;

(c) The importance of the subject matter;

(d) The skill demanded;

(e) The probability of losing other employment as a result of acceptance of the proffered case;

(f) The customary charges for similar services and the schedule of fees of the IBP chapter to which he [or she] belongs;

(g) The amount involved in the controversy and the benefits resulting to the client from the service;

(h) The contingency or certainty of compensation;

(i) The character of the employment, whether occasional or established; and

(j) The professional standing of the lawyer.

Jurisprudence provides that a contingent fee arrangement has been generally rendered as valid and binding in this jurisdiction. It is “a contract in writing in which the fee, usually a fixed percentage of what may be recovered in the action, is made to depend upon the success [of the case].”³⁵ The validity of the contingency fee contract largely depends “upon the reasonableness of the amount fixed as contingent fee under the circumstances of the case.”³⁶ “Canon 13 of the Canons of Professional Ethics states that a contract for a contingent fee, when sanctioned by law, should be reasonable under all the circumstances of the case including the risk and uncertainty of the compensation, but should always be subject to the supervision of the court as to its reasonableness.”³⁷

After assessment, a 20% contingency fee for the labor case which Atty. Bermejo handled for Entrampas is considered reasonable and justified. This is because such amount is already the total success fee which the lawyer can claim for the legal services which he or she rendered, starting from the arbiter all the way to this Court. Further, it was established that Atty. Bermejo secured a favorable ruling before the labor tribunals, the appellate court, and even this Court. Thus, it is only right and fair that he be compensated for his services, which he continued to pursue amidst Entrampas’ threats and extortion.

Atty. Bermejo received what was agreed upon in the Contract of Services, which was the 20% contingency fee, apart from the necessary expenses incurred in litigating the case, and the “extra” which Entrampas willingly gave to Atty. Bermejo. That is why it is concerning that just because a client could no longer demand or extort money from his/her counsel, a potentially professionally-damaging suit followed. This is an apparent case of retaliation which manifested in a frivolous and baseless charge. In other words, the client’s frustration and failure to further borrow money from his/her lawyer resulted in this abhorrent administrative case.

Also, a review of the records showed that Entrampas failed to justify his claims with substantial evidence. Clearly, Atty. Bermejo did not hold in trust the judgment award which Entrampas received. Entrampas was the one who encashed the check and subsequently paid Atty. Bermejo the contingent fee, as well as reimbursements and extra money for the *merienda* of Atty. Bermejo’s staff, shortly after. Nowhere was it alleged that Entrampas entrusted the entire judgment award to Atty. Bermejo after encashing the check. Besides, it was Entrampas who borrowed money from Atty. Bermejo, and not the other way around.

³⁵ *Sps. Jacinto v. Atty. Bangot Jr.*, 796 Phil. 302, 315 (2016).

³⁶ *Mendoza vda. de Robosa v. Atty. Mendoza*, 769 Phil. 359, 377 (2015).

³⁷ *Sps. Jacinto v. Atty. Bangot, Jr.*, supra.

In fine, “[i]n disciplinary cases involving members of the Bar, substantial evidence is necessary to justify the imposition of administrative penalty.”³⁸ Entrampas bears the burden of proof to demonstrate the validity of his claims. Yet, he failed to prove with substantial evidence³⁹ that Atty. Bermejo committed acts contrary to law, the Lawyer’s Oath, the Canons of Professional Ethics, and the Code, which would warrant the imposition of any disciplinary action upon the latter. Moreover, given Entrampas’ inadequate allegations, there is no reason to believe that Atty. Bermejo committed any of the grounds for administrative action under Section 27, Rule 138⁴⁰ of the Rules of Court.

Instead, the Court finds that Atty. Bermejo actually upheld the following provisions of the Code:

CANON 18 - A LAWYER SHALL SERVE HIS[/HER] CLIENT WITH
COMPETENCE AND DILIGENCE.

x x x x

Rule 18.03 - A lawyer shall not neglect a legal matter entrusted to him [or her], and his [or her] negligence in connection therewith shall render him liable.

Rule 18.04 - A lawyer shall keep the client informed of the status of his [or her] case and shall respond within a reasonable time to the client’s request for information.

Despite the unreasonable money requests and threats coming from Entrampas, Atty. Bermejo still ensured that the labor case would reach a favorable conclusion until it was elevated to this Court. He did so at the expense of his mental health and fears for his welfare and that of his family’s. The Court wishes to emphasize that it will not tolerate the filing of administrative cases with the goal of solely destroying the reputation of any lawyer in good standing due to unjustified and unverified reasons. With this, all the members of the Bar are reminded to be steadfast and mindful of their dealings with their clients.

³⁸ *Partsch v. Vitorillo*, A.C. No. 10897, January 4, 2022, citing *Spouses Nocuena v. Bensi*, A.C. No. 12609, February 10, 2020.

³⁹ 2019 Amendments to the 1989 Revised Rules on Evidence, Rule 133, Section 6: “x x x that amount of relevant evidence which a reasonable mind might accept as adequate to justify a conclusion.”

⁴⁰ SEC. 27. *Disbarment or suspension of attorneys by Supreme Court; grounds therefor.* — A member of the bar may be disbarred or suspended from his office as attorney by the Supreme Court for any deceit, malpractice, or other gross misconduct in such office, grossly immoral conduct, or by reason of his conviction of a crime involving moral turpitude, or for any violation of the oath which he is required to take before admission to practice, or for willful disobedience of any lawful order of a superior court, or for corruptly or willfully appearing as an attorney for a party to a case without authority to do so. The practice of soliciting cases at law for the purpose of gain, either personally or through paid agents or brokers, constitutes malpractice.

WHEREFORE, the instant complaint against Atty. Simplicio B. Bermejo, Jr. is **DISMISSED** for utter lack of merit.

The Letter dated October 5, 2021 of Avelino V. Sales, Jr., Director for Bar Discipline, is **NOTED**.

SO ORDERED.”

By authority of the Court:


LIBRADA C. BUENA
Division Clerk of Court^{with}

by:

MARIA TERESA B. SIBULO
Deputy Division Clerk of Court

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