



REPUBLIC OF THE PHILIPPINES
SUPREME COURT
Manila

SECOND DIVISION

NOTICE

Sirs/Mesdames:

*Please take notice that the Court, Second Division, issued a Resolution dated **28 March 2022** which reads as follows:*

“A.C. No. 12473 [Formerly CBD Case No. 15-4670] (Atty. Billy G. Fortes v. Atty. Dianne Katrine S. Arenas). —

The present administrative case stemmed from a Complaint¹ filed by complainant Atty. Billy G. Fortes (Fortes) before the Integrated Bar of the Philippines (IBP) against respondent Atty. Dianne Katrine S. Arenas (Arenas) for violation of Rule 8.02, Canon 8 of the Code of Professional Responsibility (CPR) and the 2004 Rules on Notarial Practice (Notarial Rules).²

The Facts

Fortes alleged that he was the counsel on record of the complainant-employees Erwin G. Miranda, *et al.* (complainant-employees) in a set of consolidated labor cases before the Regional Arbitration Branch IV, where his clients were awarded Fifteen Million Seven Hundred Thousand Pesos (₱15,700,000.00)³ in a Decision⁴ dated April 28, 2015. Thereafter, on July 3, 2015, representatives of the respondent-employer in the consolidated labor cases, Globaltex Impex, Inc. (respondent-employer), purportedly fraudulently influenced the complainant-employees to proceed to the Public Attorney’s Office (PAO) for the facilitation of out-of-court settlement of the said labor cases without his knowledge. The PAO refused to provide free legal services to complainant-employees as it observed that they already had a counsel on record,⁵ particularly, Fortes. Respondent-employer’s representatives then brought complainant-employees to Arenas, who was both a private lawyer and a notary public. Despite knowing that the complainant-employees had their own counsel, Arenas assisted them in executing and notarizing the following documents that would materially

¹ *Rollo*, pp. 2-6.

² *Id.* at 2-5.

³ *Id.* at 3.

⁴ *Id.* at 7-49. Penned by Labor Arbiter Renell Joseph R. Dela Cruz.

⁵ See *id.* at 3.

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affect the said labor cases, viz: Compromise Agreement with Motion to Dismiss, *Samasamang Salaysay, Kasunduan ng Pagtanggap at Kabayaran*, and the duly prepared notice of withdrawal of counsel.⁶ Further, Arenas ordered the complainant-employees to submit their individual identification cards (ID) and sign blank documents bearing only their names, all without informing them of the purposes thereof.⁷ As such, Fortes filed the instant complaint.

In her Answer,⁸ Arenas averred that the complaint did not state a cause of action and was only filed to harass her. She narrated that a group of people comprised of representatives of the respondent-employer and the complainant-employees introduced themselves to her and requested that she notarize various documents, including the Compromise Agreement with Motion to Dismiss; *Samasamang Salaysay; Kasunduan ng Pagtanggap at Kabayaran*; and a Withdrawal Letter for Fortes.⁹ Upon perusal thereof, Arenas privately spoke to the complainant-employees and asked them the reason behind their intention to execute these documents. She then explained the contents thereof and the effects of their execution.¹⁰ Thereafter, some of the complainant-employees left her office, while the others stayed and proceeded with the execution and notarization of the documents, which were witnessed by two (2) court employees. Arenas asserted that she only notarized the documents after fully satisfying all the requirements thereto, *i.e.*, verifying the affiants' identification through their IDs, making them read the documents, asking if they understood the contents, and informing them that copies would be provided upon their return.¹¹ Arenas denied committing professional encroachment as she merely explained and notarized the documents, which were already prepared by the parties, and did not advise them regarding the pending labor cases or their withdrawal of Fortes as counsel. As regards the allegation of violation of the Notarial Rules, Arenas asserted that she had no reason to believe that the documents were unlawful or immoral, especially since the parties manifested their eagerness to pursue the notarization and freely and voluntarily did so without any sign of harassment. She likewise denied notarizing a blank document, arguing that Fortes failed to present any material proof providing otherwise.¹²

The IBP's Report and Recommendation

In a Report and Recommendation¹³ dated March 2, 2016, the IBP Investigating Commissioner (IC) recommended that Arenas be held administratively liable, and accordingly, be meted with the penalty of **suspension from the practice of law for a period of three (3) months**.¹⁴ The IC found that Arenas violated Rule 8.02, Canon 8 of the CPR when she rendered legal assistance to the complainant-employees without verifying if Fortes already withdrew from the labor cases or if his services were formally terminated. In this regard, the IC noted the PAO's earlier refusal to render the requested legal assistance to the

⁶ See *id.* at 3-4.

⁷ See *id.* at 4.

⁸ *Id.* at 93-102.

⁹ *Id.* at 94.

¹⁰ See *id.*

¹¹ *Id.* at 94-95.

¹² *Id.*

¹³ *Id.* at 309-315. Signed by Commissioner Suzette A. Mamon.

¹⁴ *Id.* at 315.

complainant-employees upon learning that they were already represented by a counsel on record. The IC opined that this should have sufficiently warned Arenas in dealing with complainant-employees, especially since they were accompanied by representatives of the respondent-employer.¹⁵

Additionally, the IC found that Arenas violated Sections 4 and 6 (a), Rule IV of the Notarial Rules, as she should have declined to notarize the documents upon learning that the same pertained to the labor cases wherein the complainant-employees were already represented by a counsel on record. Further, the IC ruled that the presence of the respondent-employers' representatives should have raised reasonable doubt as to the legality or morality of the transaction.¹⁶

Subsequently, in a Resolution¹⁷ dated August 31, 2017, the IBP Board of Governors (BOG) resolved to adopt the findings and recommendation of the IBP-IC with modification, increasing the recommended penalty of suspension from three (3) months to six (6) months. It also directed the Commission on Bar Discipline (CBD) to issue an extended resolution explaining the Board's actions.¹⁸ Thus, in an Extended Resolution¹⁹ dated June 14, 2018, the CBD increased respondent's period of suspension to six (6) months, explaining that respondent's actions seriously and adversely reflected on her fitness to practice her profession as a lawyer and as an officer of the Court.²⁰

The Issue Before the Court

The sole issue for the Court's consideration is whether or not Arenas should be held administratively liable for the acts complained of.

The Court's Ruling

After a judicious review of the records, the Court affirms the findings and adopts the recommendations of the IBP-BOG with modification.

Rule 8.02, Canon 8 of the CPR reads:

Canon 8 – A LAWYER SHALL CONDUCT HIMSELF WITH COURTESY, FAIRNESS AND CANDOR TOWARDS HIS PROFESSIONAL COLLEAGUES, AND SHALL AVOID HARASSING TACTICS AGAINST OPPOSING COUNSEL.

x x x x

Rule 8.02 – A lawyer shall not, directly or indirectly, encroach upon the professional employment of another lawyer, however, it is the right of any lawyer, without fear or favor, to give proper advice and assistance to those seeking relief against unfaithful or neglectful counsel.

¹⁵ Id. at 312-314.

¹⁶ Id. at 314-315.

¹⁷ Id. at 307-308. Signed by IBP Assistant National Secretary Doroteo B. Aguila.

¹⁸ Id. at 307.

¹⁹ Id. at 316-322. Signed by Commissioner Gina H. Mirano-Jesena.

²⁰ Id. at 322.

In this case, it is undisputed that Arenas knew that complainant-employees were already represented by Fortes as their counsel on record when she rendered legal assistance to them. Verily, her act of notarizing the Compromise Agreement with Motion to Dismiss; *Samasamang Salaysay*; *Kasunduan ng Pagtanggap at Kabayaran*; and a Withdrawal Letter for Fortes without first verifying if the latter already withdrew as the complainant-employees' counsel or if his services were formally terminated, clearly encroached upon the latter's professional services. As the IC aptly observed, the fact that the PAO had earlier refused the complainant-employees' legal assistance upon learning that they were already represented by a counsel on record should have already warned Arenas in dealing with them. Arenas should have been mindful of the rule that a 'lawyer should not in any way communicate upon the subject of controversy with a party represented by counsel'²¹ and that before rendering legal assistance in connection with a case already handled by a fellow member of the Bar, 'a lawyer is obliged to obtain the conformity of the counsel on record, or at the very least give notice to the such lawyer'.²² Verily, Arenas' failure to do so is regarded as an encroachment upon the professional employment of another for which she should be held administratively liable.

In this respect, the Court also agrees that Arenas' foregoing acts also violated Sections 4 and 6 (a), Rule IV²³ of the Notarial Rules. Section 4, Rule IV provides that a notary public shall not perform notarial acts if the circumstances show that the transaction is immoral or unlawful, or were not entered into knowingly and freely by the signatory. On the other hand, Section 6 (a), Rule IV²⁴ prohibits a notary public from notarizing a blank or incomplete document or instrument.

Here, records clearly show that the complainant-employees were not accompanied by their counsel of record when they went to Arenas' office for the notarization of the subject documents. Instead, they were accompanied by the respondent-employer's representatives who, undeniably, held interests adverse to those of the complainant-employees. Evidently, the presence of the respondent-employer's representatives *sans* the complainant-employees' counsel during the notarization of the subject documents – which could materially, if not unfavorably, affect the said labor cases and the latter's interests – should have raised reasonable doubt as to the legality or morality of the transaction. Thus, as the IC aptly noted, Arenas should have declined the performance of the notarial act.

²¹ *Camacho v. Pangulayan*, 385 Phil. 353, 354 (2000).

²² See *Cahanap v. Polangan* (Notice), A.C. No. 11983, August 6, 2018.

²³ Section 4. *Refusal to Notarize*. – A notary public shall not perform any notarial act described in these Rules for any person requesting such an act even if he tenders the appropriate fee specified by these Rules if:

(a) the notary knows or has good reason to believe that the notarial act or transaction is unlawful or immoral;

(b) the signatory shows a demeanor which engenders in the mind of the notary public reasonable doubt as to the former's knowledge of the consequences of the transaction requiring a notarial act; and

(c) in the notary's judgment, the signatory is not acting of his or her own free will.

²⁴ Sec. 6. *Improper Instruments or Documents*. – A notary public shall not notarize:

(a) a blank or incomplete instrument or document; x x x x

On this score, it is well to stress that notarization is not an empty, meaningless, routinary act, but is invested with substantive public interest. Notarization converts a private document to a public document, making it admissible in evidence without further proof of its authenticity.²⁵ As such, a notary public must observe with utmost care the basic requirements in the performance of his duties in order to preserve the confidence of the public in the integrity of the notarial system.²⁶ In this light, the Court has ruled that notaries must inform themselves of the facts they certify to; most importantly, they should not take part or allow themselves to be part of illegal transactions.²⁷ In this case, the Court finds that Arenas failed to live up with the duties of a notary public as dictated by the Notarial Rules.

All told, the Court finds Arenas' acts clearly violative of the tenets of the legal profession, and she must necessarily be disciplined. In this regard, case law provides that the appropriate penalty to be meted against an errant lawyer depends on the exercise of sound judicial discretion based on the surrounding facts.²⁸ In line with the prevailing jurisprudence, the Court affirms the recommendation of the IBP Board of Governors to impose on Arenas the penalty of suspension from the practice of law for a period of six (6) months;²⁹ and in addition, she must also be meted with the penalties of revocation of her notarial commission and disqualification from being commissioned as a notary public for a period of two (2) years.³⁰

WHEREFORE, the Court hereby finds respondent Atty. Dianne Katrine S. Arenas **GUILTY** of violating Rule 8.02, Canon 8 of the Code of Professional Responsibility and Sections 4 and 6 (a), Rule IV of the Rules on Notarial Practice. Accordingly, effective immediately, the Court hereby: **SUSPENDS** her from the practice of law for six (6) months; **REVOKES** her incumbent commission as a notary public, if any; and **PROHIBITS** her from being commissioned as a notary public for two (2) years. She is **STERNLY WARNED** that a repetition of the same offense or similar acts in the future shall be dealt with more severely.

The suspension from the practice of law, the prohibition from being commissioned as notary public, and the revocation of her Notarial commission, if any, shall take effect immediately upon receipt of this Resolution by respondent. She is **DIRECTED** to immediately file a Manifestation to the Court that her suspension has started, copy furnished all courts and quasi-judicial bodies where she has entered her appearance as counsel.

²⁵ *Heir of Herminigildo Unite v. Atty. Guzman*, 834 Phil. 724, 729 (2018), citing *Gaddi v. Velasco*, 742 Phil. 810, 815 (2014).

²⁶ *Id.*, citing *Bartolome v. Basilio*, 771 Phil. 1, 5 (2015).

²⁷ *Id.*

²⁸ See *Samonte v. Jumamil*, 813 Phil. 795, 803 (2017). See also *Dancel v. Guillermo*, A.C. No. 10411, March 3, 2021.

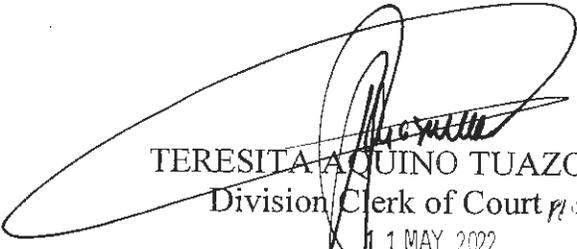
²⁹ See *Zamora v. Gallanosa*, A.C. No. 10738, September 14, 2020; *Binay-an v. Addog*, A.C. No. 10449, July 28, 2014; *Jader-Manalo v. Pilaes*, A.C. No. 10664, January 27, 2016.

³⁰ See *Ko v. Uy-Lampasa*, A.C. No. 11584, March 6, 2019; *Dee v. Herrera*, A.C. No. 8007, August 1, 2018; *Dancel v. Guillermo*, A.C. No. 10411, March 3, 2021; *Rivera v. Dalangin*, A.C. No. 12724, July 28, 2020. See also *Orenia v. Gonzales*, A.C. No. 12755, October 7, 2020; *Buenafe v. Lirazan*, A.C. No. 9361, March 20, 2019; *Rico v. Atty. Madrazo, Tan, and Delante*, A.C. No. 7231, October 1, 2019. See also *Bernardo v. Ramos*, 433 Phil. 8, 16 (2002); *De Vera v. Navarro*, A.C. No. 12912, January 18, 2021; *Malvar v. Baleros*, 807 Phil. 16, 30-31 (2017).

Let copies of this Resolution be furnished to: (1) the Office of the Bar Confidant to be appended to respondent's personal record as an attorney; (2) the Integrated Bar of the Philippines for its information and guidance; and (3) the Office of the Court Administrator for circulation to all courts in the country.

SO ORDERED."

By authority of the Court:


TERESITA AQUINO TUAZON
Division Clerk of Court *pro*
11 MAY 2022

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