



REPUBLIC OF THE PHILIPPINES
SUPREME COURT
Manila

SECOND DIVISION

NOTICE

Sirs/Mesdames:

*Please take notice that the Court, Second Division, issued a Resolution dated **December 7, 2022** which reads as follows:*

“A.C. No. 12396 [Formerly CBD Case No. 19-6199] (YVONNE REBECCA V. BENAVIDEZ, Complainant, v. ATTY. AUDIE C. ARNADO, Respondent). -- The practice of law is not a right but a privilege burdened with conditions. Aside from legal proficiency, a high sense of morality, honesty, and fair dealing is expected and required of a member of the bar.¹ Thus, members of the legal profession should refrain from pursuits that tend to lessen in any degree the confidence of the public in the fidelity, honesty, and integrity of the profession.²

This Court resolves the letter-complaint³ filed by complainant Yvonne Rebecca V. Benavidez, praying for the disbarment or suspension of respondent Atty. Audie C. Arnado for allegedly dishonoring a previous agreement on the amount of attorney’s fees, resulting in the failure to amicably settle the civil aspect of a criminal case.

The complainant is accused in a criminal case for violation of Batas Pambansa Blg. 22 (BP 22) before the Municipal Trial Court (MTC) of Cebu, instituted by Alfredo Ong Mosqueda (Mosqueda), who is represented by respondent. After arraignment, Mosqueda and their counsels met at a restaurant to discuss the settlement of the civil aspect of the case. In the meeting, the parties agreed that complainant will pay the value of the dishonored check amounting to ₱623,000.00 and the attorney’s fees in installments — the first of which complainant paid in cash amounting to

¹ *Spouses Tejada v. Atty. Palaña*, 557 Phil. 517, 523-524 (2007) [Per J. Velasco, Jr., Second Division].

² *Id.*, citing *Sipin-Nabor v. Buterina*, 442 Phil. 419, 424 (2001) [Per J. Pardo, *En Banc*].

³ *Rollo*, pp. 1-8.

₱125,000.00 on that day.⁴

Controversy, however, arose when two different versions of compromise agreements were subsequently drafted for the court's approval. The version signed by complainant and her counsel indicated ₱50,000.00 in addition to the amount of the check as attorney's fees.⁵ On the other hand, the one signed by Mosqueda and respondent stipulated 25% of the principal obligation or ₱155,750.00 as attorney's fees.⁶

The complainant accused respondent of reneging on their agreement, and encouraging a suit for corrupt motive that delayed both parties' cause. Specifically, complainant averred that during their meeting, the parties and their counsels already agreed on the amount of ₱50,000.00 as attorney's fees. She alleged that respondent has already taken out one-half of the said ₱50,000.00 from the first installment that she paid in cash on the day of their meeting. To support her claim, she showed a picture of the four of them at the meeting,⁷ a handwritten document containing the schedule of the installments with a total of ₱673,000.00 as it includes the ₱50,000.00 attorney's fees,⁸ and **an acknowledgment receipt⁹ of the first installment signed by Mosqueda and respondent.** She also alleged that respondent threatened her that the case will be submitted back to the court if she will not heed to the 25% attorney's fees.¹⁰ For the complainant, respondent is guilty of a dishonest and deceitful conduct, which prejudiced the parties' opportunity to settle the matter amicably.

Respondent, on the other hand, argued that this administrative case is devoid of factual and legal bases. He countered that, while both parties had expressed their willingness to amicably settle, no compromise agreement has yet been forged between the parties and approved by the court.¹¹ Consequently, he and his client proceeded with the case in accordance with the law.¹² In disagreeing with complainant's proposed compromise agreement, respondent posited that he was merely protecting the cause of his client; otherwise, his client will end up paying for the rest of the attorney's fees.¹³

In the Report and Recommendation,¹⁴ the Integrated Bar of the Philippines – Commission on Bar Discipline (IBP–CBD) recommended to reprimand respondent since the only obstacle for the parties to amicably settle was the disagreement on the amount of the attorney's fees. The IBP–CBD reminded respondent that “[l]awyer[ing] is not primarily meant to be a money-making venture, x x x [as] x x x [d]uty to public service and to the

⁴ *Id.* at 295–296.

⁵ *Id.* at 27–29.

⁶ *Id.* at 210–211.

⁷ *Id.* at 220.

⁸ *Id.* at 24.

⁹ *Id.*

¹⁰ *Id.* at 5.

¹¹ *Id.* at 40–41.

¹² *Id.* at 41.

¹³ *Id.* at 41–45.

¹⁴ *Id.* at 294–299; dated March 10, 2021.

administration of justice should be the primary consideration of lawyers, who must subordinate their personal interests[.]”¹⁵ The IBP–CBD also noted that the 2018 Standard Minimum Attorney’s Fees Schedule–Cebu Chapter set the acceptance fee of ₱40,000.00 for criminal cases before the MTC.¹⁶

In its Resolution No. CBD-XXV-2022-02-21,¹⁷ the IBP–Board of Governors approved the IBP–CBD’s findings and recommendation as follows:

*RESOLVED, to APPROVE, as it is hereby APPROVED, the Report and Recommendation of the Investigating Commissioner in the instant case, to impose upon Respondent Atty. Audie C. Arnado the penalty of REPRIMAND, but with STERN WARNING that a repetition of the same or similar infraction shall be dealt with more severely.*¹⁸ (Emphasis in the original)

The Court affirms the IBP findings and recommendation, except for the penalty.

Time and again, we have emphasized that membership in the bar and the practice of law is a privilege burdened with conditions. Aside from legal proficiency, a **high sense of morality, honesty, and fair dealing** is expected and required from lawyers.¹⁹ Thus, members of the legal profession are consistently reminded to refrain from pursuits that tend to lessen in any degree the confidence of the public in the fidelity, honesty, and integrity of the profession.²⁰ To this end, the Court, being vested with plenary disciplinary authority over attorneys,²¹ has been vigilant against unscrupulous practices that mar the nobility of the legal profession.

In this case, substantial evidence on record reveals that respondent and his client Mosqueda already had an agreement with complainant and her counsel on the terms and conditions of the prospective compromise agreement. In fact, the agreement has already been partially executed when complainant paid in cash the initial installment, which Mosqueda and respondent received as evidenced by an acknowledgment receipt²² duly signed by them. In view of this, the Court cannot accept respondent’s claim that the parties merely agreed to settle, without the specific terms and conditions, including the actual amount to be paid. The record clearly shows that during the meeting of the parties, the mode of payment and the settlement amount, *i.e.*, ₱623,000.00 (principal obligation) plus ₱50,000.00 (attorney’s

¹⁵ *Id.* at 298.

¹⁶ *Id.*

¹⁷ *Id.* at 292–293.

¹⁸ *Id.* at 292.

¹⁹ *Spouses Tejada v. Atty. Palaña, supra* note 1 at 523.

²⁰ *Id.*, citing *Sipin-Nabor v. Baterina, supra* note 2.

²¹ *Bernardino v. Santos*, 754 Phil. 52, 70 (2015) [Per J. Leonen, Second Division].

²² “RECEIVED FROM YVONNE REBECCA BENAVIDEZ TODAY OCTOBER 22, 2018 THE AMOUNT OF ONE HUNDRED TWENTY[–]FIVE THOUSAND [PESOS] (P125,000.00) AS PART OF AN AMICABLE SETTLEMENT OF CRIMINAL CASE ENTITLED PEOPLE VERSUS BENAVIDEZ IN CEBU CITY.” *Rollo*, p. 24.

fees) was agreed upon, and the initial installment was paid accordingly.

At this point, we emphasize that in administrative cases, such as disciplinary proceedings against lawyers, the necessary quantum of proof is only substantial evidence, *i.e.*, that amount of relevant evidence that a reasonable mind might accept as adequate to support a conclusion.²³ Moreover, the Court has been emphatic in ruling that, when the integrity of a member of the bar is challenged, it is not enough that they deny the charges against them; they must meet the issue and overcome the evidence against them.²⁴ Here, respondent's sheer denial of the agreement on the amount of his professional fees cannot stand against a signed acknowledgment receipt, which substantially proves that the parties already had an agreement. Neither can respondent validly argue that he was merely protecting his client from shouldering the expenses brought about by complainant's infraction. To reiterate, both respondent and his client, Mosqueda, were present at the meeting where the parties agreed to settle the case by payment in installments of the amount of the check plus attorney's fees. Thus, it is untenable for respondent to claim that there was no final amount of attorney's fees agreed upon by the parties.

Deception clearly obtains in this case. Respondent, using his knowledge of the law and the rules, made the parties believe that the case was already settled, only to renege on it afterwards for his personal gain, *i.e.*, for a higher amount of professional fees. Hence, for dishonoring a previous agreement, which derailed the prospect of settling the case amicably, respondent betrayed his professional responsibility. We concur with the findings of the IBP-CBD, as affirmed by the IBP-Board of Governors, that respondent fell short of what is expected of him as an officer of the court. The Code of Professional Responsibility provides:

Rule 1.01 — A lawyer shall not engage in unlawful, dishonest, immoral or deceitful conduct.

Rule 1.03 — A lawyer shall not, for any corrupt motive or interest, encourage any suit or proceeding or delay any man's cause.

Rule 1.04 — A lawyer shall encourage his clients to avoid, end or settle a controversy if it will admit of a fair settlement.

Respondent's act also violated the oath he took to become a member of the bar — "to delay no man for money or malice." We underscore the IBP's reminder that the practice of law is a profession and not a business.²⁵

Lawyering is not primarily meant to be a money-making venture, and law advocacy is not a capital that necessarily yields profits. The gaining of a livelihood is not a professional but a secondary consideration. **Duty to public service and to the administration of justice should be the**

²³ *Guillen v. Atty. Arnado*, 820 Phil. 535 (2017) [Per J. Peralta, Second Division].

²⁴ *Spouses Tejada v. Atty. Palaña*, 557 Phil. 517, 524 (2007) [Per J. Velasco, Second Division].

²⁵ *Burbe v. Atty. Magulta*, 432 Phil. 840, 850 (2002) [Per J. Panganiban, Third Division].

primary consideration of lawyers, who must subordinate their personal interests or what they owe to themselves. The practice of law is a noble calling in which emolument is a byproduct, and the highest eminence may be attained without making much money.²⁶ (Emphasis supplied, citations omitted)

As such, the Court will not hesitate to impose the necessary penalty upon respondent whose conduct fell short of the exacting standards expected of him as a member of the bar.²⁷ With regard to the proper penalty, the Court notes that respondent had been previously censured for another deceitful act. In *Guillen v. Atty. Arnado*,²⁸ respondent was found to have deceived his business partner (Guillen), as well as the public, when he took advantage of his legal knowledge to incorporate the business, which excluded Guillen from it, while it is still registered in Guillen's name, and used the trade secrets and the goodwill of Guillen's company for monetary gain. In that case, respondent was warned that a repetition of the same or similar offense shall be dealt with more severely. Hence, the Court finds the penalty of suspension from the practice of law for a period of one month proper under the circumstances.²⁹

FOR THESE REASONS, the Court **SUSPENDS** Atty. Audie C. Arnado from the practice of law for a period of one (1) month, and **STERNLY WARNS** him that a repetition of the same or similar offense shall be dealt with more severely.

Atty. Audie C. Arnado is **DIRECTED** to immediately file a Manifestation to the Court that his suspension has started, copy furnished all courts and quasi-judicial bodies where he has entered his appearance as counsel.

Let copies of this Resolution be furnished to the Office of the Bar Confidant to be appended to Atty. Audie C. Arnado's personal record as attorney; the Integrated Bar of the Philippines for their information and guidance; and the Office of the Court Administrator for circulation to all courts in the country.

SO ORDERED."

²⁶ *Id.*

²⁷ *Sevilla v. Atty. Millo*, 850 Phil. 319 (2019) [Per J. Pelas-Bernabe, Second Division].

²⁸ *Guillen v. Atty. Arnado*, *supra* note 23.

²⁹ See *Sevilla v. Atty. Millo*, *supra* note 27.

By authority of the Court:

TERESITA AQUINO TUAZON
Division Clerk of Court

By:



MA. CONSOLACION GAMINDE-CRUZADA
Deputy Division Clerk of Court ^{mm} _{8/3}

03 AUG 2023

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