



Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

JYQ HOLDINGS & MGT. CORP.
represented by **CARLOS M.**
AMBROSIO III,
Complainant,

-versus-

ATTY. ZAFIRO T. LAURON,
Respondent.

A.C. No. 14013

Present:

CAGUIOA, J., Chairperson,
INTING,
*LOPEZ, M.**
DIMAAMPAO, and
SINGH, JJ.

Promulgated:

July 15, 2024

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DECISION

SINGH, J.:

Before the Court is a verified Affidavit-Complaint for Disbarment¹ (**Complaint**), dated April 24, 2018, filed by JYQ Holdings & Mgt. Corp. (**JYQ**), through its representative, Carlos M. Ambrosio III, against Atty. Zafiro T. Lauron (**Atty. Lauron**). The Complaint alleges that Atty. Lauron neglected to act on the legal matter entrusted to him, failed to regularly update JYQ of the status of the matter undertaken, and failed to account for and return all the money which he received from JYQ.

The Facts

Based on the record, JYQ, through its President, Johnny Y. Quisumbing (**Quisumbing**), sought the legal services of Atty. Lauron in April 2016 to

* Designated additional member vice Gaerlan, J. per Raffle dated July 10, 2024.

¹ *Rollo*, pp. 2–6.

facilitate the ejection of informal settlers from the property it bought along Matahimik Street, Teacher's Village, Diliman, Quezon City (**Subject Lot**).²

Through a Letter³ (**Letter-Proposal**), dated April 5, 2016, Atty. Lauron submitted a proposal to Quisumbing, which detailed the expenses to be incurred in the undertaking. The proposal was for a total sum of PHP 1.5 million which was intended for the following purposes:

Proposed Amount	Purpose
PHP 450,000.00	Amount to be offered to the affected families.
PHP 150,000.00	Amount to be incurred by the evicting crew.
PHP 500,000.00	Amount for representation to the City Hall, the Sangguniang Panlungsod, Barangay, and the Urban Poor Affairs Office (UPAO)
PHP 300,000.00	Attorney's Fees
PHP 100,000.00	Mobilization expenses
Total: PHP 1,500,000.00	

Notably, the Letter-Proposal stated that the eviction would be effected "preferably without the need for a [sic] court intervention."

Trusting Atty. Lauron's representations, JYQ issued a check for PHP 100,000.00 on April 15, 2016 intended as "mobilization fund." A second check was issued on May 16, 2016 for PHP 400,000.00 payable to Atty. Lauron again intended as "mobilization fund." Finally, on October 17, 2016, JYQ issued a third check for PHP 350,000.00 intended for "downpayment for informal settlers and miscellaneous expenses for UPAO." In total, Atty. Lauron received PHP 850,000.00 from JYQ.⁴

After receiving said sums of money, JYQ alleged that Atty. Lauron failed to evict the informal settlers by the agreed upon date of December 2016, give an account of the money he received, and update the complainant on any actions taken, despite insistent follow-ups.⁵

On March 6, 2017, Quisumbing sent a Letter to Atty. Lauron indicating his intention to sever the attorney-client relationship. Quisumbing likewise

² *Id.* at 9.

³ *Id.*

⁴ *Id.* at 3.

⁵ *Id.*

demanded the return of the PHP 850,000.00 which Atty. Lauron received.⁶ A Demand Letter, dated September 7, 2017, was also sent to Atty. Lauron reiterating the contents of the earlier letter.⁷ With both letters seemingly falling on deaf ears, JYQ filed the present Complaint seeking Atty. Lauron's disbarment and the return of the PHP 850,000.00. The Complaint was filed with the Integrated Bar of the Philippines – Commission on Bar Discipline (**IBP CBD**).

On June 8, 2018, the IBP CBD directed Atty. Lauron to submit his verified Answer.⁸

On September 10, 2018, Atty. Lauron filed his Verified Answer⁹ (**Answer**) where he controverted the allegations in the Complaint and narrated his own version of events.

Atty. Lauron alleged that he first met Quisumbing sometime in 2015 when his friend and client Efrain Limsui (**Limsui**) referred them to each other. Quisumbing offered to engage Atty. Lauron's services to locate the owners of the Subject Lot, negotiate for its acquisition, and effect the eviction of the informal settlers over the same. Due to his relationship with Mr. Limsui, Atty. Lauron accepted the case. This agreement, however, was not put into writing.¹⁰

Eventually, Atty. Lauron located the owners of the Subject Lot, the Luna family, and succeeded in facilitating the sale in favor of JYQ at a favorable price of PHP 3 million. Atty. Lauron claimed that he was never paid any fees for these services. Nonetheless, he proceeded to work for the eviction of the informal settlers on the property.¹¹

Atty. Lauron admitted to sending the Letter-Proposal and receiving a total of PHP 850,000.00 from JYQ. He supposedly formed a team of "experts" in the field of eviction composed of lawyers, researchers, and security personnel. He also hired licensed professionals to survey the Subject Lot.¹²

Atty. Lauron attached several supporting affidavits to his Answer to prove his claims. One of the affidavits was of Gavino E. Colorado (**Colorado**) who claimed to be an official of the Urban Poor Affairs Office, Housing and Community Development and Resettlement Department of Quezon City, formerly UPAO. He stated that Atty. Lauron requested his Office to arrange

⁶ *Id.* at 16.

⁷ *Id.* at 18.

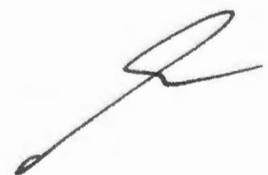
⁸ *Id.* at 23.

⁹ *Id.* at 29–69.

¹⁰ *Id.* at 34–35.

¹¹ *Id.* at 36–38.

¹² *Id.* at 30–31 & 38–39.



several meetings involving barangay officials, Atty. Lauron's representatives, and the informal settlers, to discuss possible relocation. Colorado claimed to have assisted Atty. Lauron in sending a letter to the office of then Congressman Feliciano Belmonte (**Congressman Belmonte**) for the purpose of finding a relocation site.¹³

A geodetic engineer was also engaged to conduct as-built surveys of the Subject Lot and determine its actual boundaries. To this end, Atty. Lauron presented copies of the proposal of the engineering firm and two acknowledgement receipts reflecting the payments made to them amounting to PHP 200,000.00.¹⁴

Atty. Lauron claimed that he consistently updated JYQ, specifically Quisumbing, of these developments.¹⁵

After several meetings, UPAO recommended to postpone the scheduled eviction from December 2016 to April or May 2017 in light of the Christmas season and to allow students to finish the school year. However, Quisumbing insisted that the eviction should proceed as planned. When Atty. Lauron refused to give in to Quisumbing's demand, the latter engaged the services of another lawyer without informing the former. Atty. Lauron was only able to catch wind of this when an official from the UPAO informed Atty. Lauron that a new lawyer came to their office to supposedly facilitate the eviction.¹⁶

When Atty. Lauron received the letter, dated March 6, 2017, indicating JYQ's intention to sever the attorney-client relationship, Atty. Lauron had already worked on the eviction case for over a year and utilized PHP 550,000.00 of the PHP 850,000.00 given to him by JYQ. Specifically, Atty. Lauron claimed that the PHP 550,000.00 has been spent as follows: PHP 200,000.00 for the professional fees of those who conducted the land survey; PHP 150,000.00 for surveillance, field operations, and research costs; PHP 150,000.00 for mobilization and representation expenses; and PHP 50,000.00 for miscellaneous expenses.¹⁷ As for the remaining PHP 300,000.00, Atty. Lauron claimed that he has a right to withhold the same as compensation for his and his team's services for the past year.¹⁸

On October 16, 2018, the IBP CBD issued an Order directing the parties to submit mandatory conference briefs and scheduled the case for a hearing on November 26, 2018. However, JYQ moved to postpone said hearing. The

¹³ *Id.* at 40–41.

¹⁴ *Id.* at 41.

¹⁵ *Id.* at 219.

¹⁶ *Id.* at 42–43.

¹⁷ *Id.* at 44.

¹⁸ *Id.* at 220.



IBP CBD granted this motion and reset the mandatory conference date to January 22, 2019. The parties later requested further resetting, which was granted for February 20, 2019.¹⁹

Through its Mandatory Conference Brief,²⁰ dated November 28, 2018, JYQ claimed that the miscellaneous and representation expenses which Atty. Lauron supposedly paid to UPAO and other government agencies, were illegal.

In response, Atty. Lauron, through his Position Paper, dated April 11, 2019, argued that the miscellaneous and representation expenses were not illegal. He averred that the miscellaneous and representation expenses were used to facilitate group meetings between the informal settlers, the UPAO representatives, and other government agencies, as well as pay his team for their services.²¹

The Findings and Recommendation of the IBP CBD

On June 1, 2020, the IBP CBD issued a Report and Recommendation²² (**IBP Report**) proposing the suspension of Atty. Lauron for six months with a stern warning that a repeated act of similar nature would result in the imposition of graver penalties:

In view of the foregoing premises, it is respectfully recommended that Respondent Atty. Zafiro T. Lauron be SUSPENDED from the practice of law for [SIX] MONTHS with the STERN WARNING that a repeated act of similar nature or same violation of the Code of Professional Responsibility would result in the imposition of graver penalties.

RESPECTFULLY SUBMITTED.²³

The IBP CBD found Atty. Lauron liable under Rule 16.01²⁴ of the CPR for failing to fully account for the amount of money he received from JYQ and sufficiently establishing that he rightfully spent the amount of PHP 550,000.00 for the purposes he said such amounts were spent. Nonetheless, the IBP CBD absolved Atty. Lauron of any violation under Canon 17 and Canon 18, Rule 18.04²⁵ of the CPR. The IBP CBD found no

¹⁹ *Id.* at 216.

²⁰ *Id.* at 92–94.

²¹ *Id.* at 134–137.

²² *Id.* at 216–232.

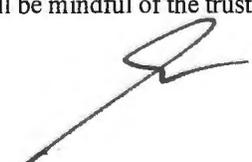
²³ *Id.* at 232.

²⁴ CODE OF PROFESSIONAL RESPONSIBILITY, Canon 16, Rule 16.01.

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

²⁵ CODE OF PROFESSIONAL RESPONSIBILITY, Canons 17 & 18, Rule 18.04.

Canon 17 — A lawyer owes fidelity to the cause of his [or her] client and he shall be mindful of the trust and confidence reposed in him [or her].



merit in JYQ's contentions that Atty. Lauron failed to act on the matter referred to him by JYQ and that Atty. Lauron failed inform JYQ of the status of the case.

In finding him guilty under Rule 16.01 of the CPR, the IBP CBD ruled that Atty. Lauron did not utilize the amounts he received from JYQ in accordance with the Letter-Proposal or the purposes set forth on the check vouchers issued by JYQ. The IBP CBD pointed out that Atty. Lauron proposed that he would only require PHP 100,000.00 for mobilization expenses. He then accepted a total of PHP 500,000.00 from JYQ for mobilization funds through the checks. Yet, based on Atty. Lauron's tally, he spent PHP 150,000.00 for mobilization and representation expenses. Aside from this, Atty. Lauron was not able to reasonably explain how the professional fees for conducting the land survey amounting to PHP 200,000.00, and surveillance, field operations, and research costs amounting to PHP 150,000.00, could be reconciled with the expenses listed on the Letter-Proposal.²⁶

Further, the IBP CBD ruled that Atty. Lauron failed to substantiate his expenses with documentary evidence. Atty. Lauron only showed two acknowledgement receipts to explain his total expenditure of PHP 550,000.00 and these receipts were just for the payment of the land survey in the amount of PHP 200,000.00. No receipts were shown for the remaining expenditures amounting to PHP 350,000.00, specifically for the PHP 150,000.00 spent for "[s]urveillance, field operations and research costs" and the PHP 200,000.00 spent for "mobilization and representation expense and miscellaneous expenses." The IBP CBD also pointed out that no amount was directed to the payment of the informal settlers, contrary to the Letter-Proposal.²⁷

Despite these, the IBP CBD opined that the Atty. Lauron's actions did not justify his disbarment.

The IBP CBD inferred that JYQ must have been aware of the expenses incurred by Atty. Lauron. Since the total amount of PHP 850,000.00 was received by respondent on three separate occasions through different checks over a period of six months, the IBP CBD surmised that JYQ would not have

Canon 18 — A lawyer shall serve his [or her] client with competence and diligence.

....

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 cent's request for information.

²⁶ *Rollo*, pp. 226–228.

²⁷ *Id.* at 229–230.



released the third check worth PHP 350,000.00 unless Atty. Lauron provided a report on the progress of the case and justified the further release of funds.²⁸

As regards the allegation that Atty. Lauron violated Rule 16.03 of the CPR for failing to return the amount of PHP 850,000.00 upon JYQ's demand, the IBP CBD noted that JYQ's demand letters were sent to Atty. Lauron when their relationship had already soured, and when the latter had already complained about not being properly compensated for the services he rendered. However, the IBP CBD did not rule on Atty. Lauron's entitlement to his retaining lien on the basis that it did not have jurisdiction over the same.²⁹

On May 8, 2021, the IBP Board of Governors (**IBP BOG**) issued a Resolution³⁰ (**First IBP BOG Resolution**) approving and adopting the IBP Report:

*RESOLVED to APPROVE and ADOPT, as it is hereby APPROVED and ADOPTED, the Report and Recommendation of the Investigating Commissioner in the above-entitled case to **SUSPEND Atty. Zafiro T. Lauron from the practice of law for six [] months with stern [sic] Warning** that repetition of the same or similar conduct shall be dealt with more severely, after finding the same to be fully supported by the evidence on record and the applicable laws and rules.*³¹(Emphasis in the original)

On September 1, 2021, Atty. Lauron filed a Motion for Reconsideration assailing the First IBP BOG Resolution and the IBP Report³² (**Motion for Reconsideration**). He argued that the amounts in the Letter-Proposal were only projected expenses for the eviction which were expected to vary. He added that JYQ was informed of the expenses, and how they will be used. Atty. Lauron likewise claimed that the abrupt termination of his services prevented him from making an expedient accounting of the funds with him. Nonetheless, Atty. Lauron argued that he has duly accounted for the PHP 850,000.00 which he received from JYQ.

Despite receiving notice, JYQ did not file a comment on the Motion for Reconsideration.

On March 18, 2022, the IBP BOG promulgated a Resolution³³ granting Atty. Lauron's Motion for Reconsideration, reversing the First IBP BOG

²⁸ *Id.* at 230.

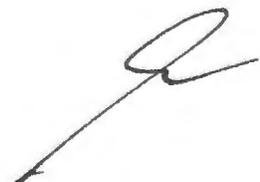
²⁹ *Id.* at 230–231.

³⁰ *Id.* at 214–215.

³¹ *Id.* at 214.

³² *Id.* at 233–249.

³³ *Id.* at 271–272.



Resolution, and directing the IBP CBD to prepare an extended resolution explaining the latest recommendation of the IBP BOG:

*RESOLVED, to GRANT, as it is hereby GRANTED, the Motion for Reconsideration filed by Atty. Zafiro T. Lauron, and to REVERSE the Board of Governors' Resolution[,] dated [May 8,] 2021, and to recommend instead the **DISMISSAL** of the complaint against the Respondent; and*

RESOLVED FURTHER, that the Commission on Bar Discipline prepare an Extended Resolution explaining the recommendation of the Board of Governors in this case, which shall be appended to this resolution.³⁴ (Emphasis in the original)

Thus, on August 1, 2023, the IBP CBD issued an Extended Resolution³⁵ reversing the First IBP BOG Resolution and dismissing the Complaint against Atty. Lauron:

WHEREFORE, premises considered, the Board RESOLVED to GRANT, as it is hereby GRANTED, the Motion for Reconsideration filed by Atty. Zafiro T. Lauron, and to REVERSE the Board of Governor's Resolution[,] dated May 8, 2021, and to recommend instead the **DISMISSAL** of the complaint against the Respondent.

Respectfully submitted.³⁶ (Emphasis in the original)

The Issue

Whether Atty. Lauron should be administratively sanctioned, even disbarred, for the acts complained of in JYQ's Complaint.

The Ruling of the Court

After a judicious review of the records, the Court finds it proper to adopt the findings in the IBP Report and First IBP BOG Resolution, with a modification as to the appropriate penalty, taking into account that Atty. Lauron is also administratively liable for failing to return JYQ's funds upon demand. Nonetheless, the Court absolves Atty. Lauron of any other liability under the Code of Professional Responsibility and Accountability (**CPRA**).

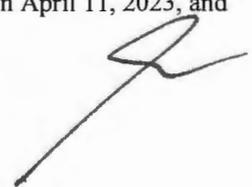
Preliminarily, the violations imputed against Atty. Lauron were committed well before the CPRA took effect on May 29, 2023.³⁷

³⁴ *Id.* at 271.

³⁵ *Id.* at 290–293.

³⁶ *Id.* at 293.

³⁷ The Code of Professional Responsibility and Accountability was promulgated on April 11, 2023, and published in a newspaper of general circulation on May 14, 2023.



Nevertheless, the CPRA's transitory provision expressly allows for its retroactive application:

SEC. 1. Transitory Provision. — The CPRA shall be applied to all pending and future cases, except to the extent that in the opinion of the Supreme Court, its retroactive application would not be feasible or work injustice, in which case the procedure under which the cases were filed shall govern.

Since the language and import of Canons 16, 17, and 18 of the CPR were incorporated into the CPRA, there is no doubt about the latter's applicability in this case.

Atty. Lauron cannot be held administratively liable for not effecting the eviction of the informal settlers on the Subject Lot

In *Tan vs. Atty. Alvarico*,³⁸ the Court explained that a lawyer enjoys the legal presumption of innocence when a disbarment complaint is filed against them until the contrary is proven with substantial evidence:

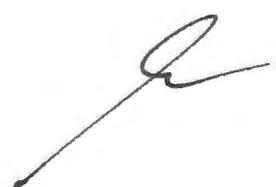
An attorney enjoys the legal presumption that he [or she] is innocent of the charges against him [or her] until the contrary is proved, and that as an officer of the Court, he [or she] is presumed to have performed his [or her] duties in accordance with his [or her] oath. In disbarment proceedings, the quantum of proof is substantial evidence and the burden of proof is on the complainant to establish the allegations in his [or her] complaint.

Substantial evidence is defined under [Rule 133, Section 6] of the 2019 Amendments to the 1989 Revised Rules on Evidence³⁵ as “that amount of relevant evidence which a reasonable mind might accept as adequate to justify a conclusion,” while burden of proof is defined under [Rule 131, Section 1] as “the duty of a party to present evidence on the facts in issue necessary to establish his or her claim or defense by the amount of evidence required by law.”

The basic rule is that reliance on mere allegations, conjectures [,] and suppositions will leave an administrative complaint with no leg to stand on. Charges based on mere suspicion and speculation cannot be given credence. Thus, failure on the part of complainant to discharge his [or her] burden of proof by substantial evidence requires no other conclusion than that which stays the hand of the Court from meting out a disbarment order.³⁹ (Citations omitted)

³⁸ 888 Phil. 345 (2020) [Per. C.J. Peralta, First Division].

³⁹ *Id.* at 355–356.



Accordingly, JYQ must present substantial evidence to overcome the presumption of innocence afforded to lawyers in disbarment proceedings.

JYQ asserts that Atty. Lauron must be held administratively liable for failing to effect the eviction of the informal settlers, despite receiving a total of PHP 850,000.00 from JYQ to do so. JYQ pointed out that Atty. Lauron never filed an ejectment suit against the informal settlers, to its prejudice.⁴⁰

Through his written submissions, Atty. Lauron argued that he and his team extended efforts to locate the owners of the Subject Lot, facilitate the sale of the same in favor of Quisumbing, effect a survey of the Subject Lot, and communicate with the informal settlers and relevant government agencies who can assist in the eviction and relocation.⁴¹

After carefully evaluating the averments of the parties and the record, the Court does not find Atty. Lauron culpable of violating the CPRA.

Lawyers are bound to advance or defend their client's cause, with full devotion, genuine interest, and zeal in the pursuit of truth and justice.⁴²

This duty to observe fidelity in advocating for the cause of their clients can be found in Canon III, Section 2 of the CPRA:

SEC. 2. The Responsible and Accountable Lawyer. — A lawyer shall uphold the constitution, obey the laws of the land, promote respect for laws and legal processes, safeguard human rights, and at all times advance the honor and integrity of the legal profession.

As an officer of the court, a lawyer shall uphold the rule of law and conscientiously assist in the speedy and efficient administration of justice.

As an advocate, a lawyer shall represent the client with fidelity and zeal within the bounds of the law and the CPRA. (Emphasis supplied)

In performing their duties, lawyers are expected to observe competence, diligence, commitment, and skill consistent with the fiduciary nature of the attorney-client relationship, regardless of the nature of the legal matter or issues involved, and whether for a fee or *pro bono*.⁴³ This is in line with Canon IV, Sections 1 and 4 of the CPRA:

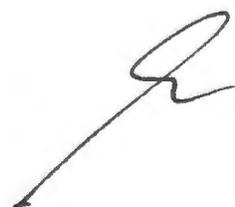
SEC. 1. Competent, Efficient and Conscientious Service. — A lawyer shall provide legal service that is competent, efficient, and

⁴⁰ *Rollo*, pp. 220–221.

⁴¹ *Id.* at 221–222.

⁴² CODE OF PROFESSIONAL RESPONSIBILITY & ACCOUNTABILITY, Canon III.

⁴³ CODE OF PROFESSIONAL RESPONSIBILITY & ACCOUNTABILITY, Canon IV.



conscientious. A lawyer shall be thorough in research, preparation, and application of the legal knowledge and skills necessary for an engagement.

....

SEC. 4. Diligence in All Undertakings. — *A lawyer shall observe diligence in all professional undertakings and shall not cause or occasion delay in any legal matter before any court, tribunal, or other agency.*

A lawyer shall appear for trial adequately familiar with the law, the facts of the case, and the evidence to be presented. A lawyer shall also be ready with the object and documentary evidence, as well as the judicial affidavits of the witnesses, when required by the rules or the court. (Emphasis supplied)

In *Edquibal v. Atty. Ferrer, Jr.*,⁴⁴ the Court conceptualized diligence in the context of the legal profession as follows:

Diligence is “the attention and care required of a person in a given situation and is the opposite of negligence.” A lawyer serves his [or her] client with diligence by adopting that norm of practice expected of [people] of good intentions. He [or She] thus owes entire devotion to the interest of his [or her] client, warm zeal in the defense and maintenance of his [or her] rights, and the exertion of his [or her] utmost learning, skill, and ability to ensure that nothing shall be taken or withheld from him [or her], save by the rules of law legally applied. It is axiomatic in the practice of law that the price of success is eternal diligence to the cause of the client.

The practice of law does not require extraordinary diligence (*exactissima diligentia*) or that “extreme measure of care and caution which persons of unusual prudence and circumspection use for securing and preserving their rights.” All that is required is ordinary diligence (*diligentia*) or that degree of vigilance expected of a *bonus pater familias*.⁴⁵ (Citations omitted)

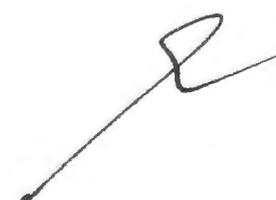
Unlike banks and common carriers, lawyers are not expected to observe the highest degree of diligence or extraordinary diligence in carrying out their responsibilities to their clients. Lawyers are only required to exercise ordinary diligence or that degree of vigilance expected of a good father of a family.⁴⁶ Nonetheless, the demands of the legal profession constrain lawyers to exert their utmost in order to pursue the cause of their clients within the bounds of the law. Any infraction or negligence could expose the lawyer to administrative sanction or, worse, result in the miscarriage of justice.

In this case, Atty. Lauron was able to controvert the claims of JYQ on his supposed failure to diligently perform his duties as the former’s lawyer. Atty. Lauron was able to substantiate his defense with several documents

⁴⁴ 491 Phil. 1 (2005) [Per J. Sandoval-Gutierrez, Third Division].

⁴⁵ *Id.* at 7.

⁴⁶ CIVIL CODE, art. 1173.



supporting his claim that legal work was actually performed in pursuit of the eviction of the informal settlers over the Subject Lot.

As found by the IBP CBD through its Report, Atty. Lauron presented the Letter dated June 23, 2016 from Lauron Delos Reyes and Partners to Mr. Ramon Asprer of the UPAO of Quezon City requesting for a census of informal settlers on the Subject Lot. This was bolstered by the Affidavit of Colorado, an official of the UPAO, who attested to the conduct of several meetings between Atty. Lauron and the representatives of the informal settlers. The same Affidavit averred that a Letter Request, dated November 21, 2016, was sent to the office of then Congressman Belmonte requesting for the relocation of the informal settlers. Congressman Belmonte would then endorse said Letter Request to the National Housing Authority which was received by them on January 17, 2017.⁴⁷

The foregoing pieces of documentary evidence were not effectively rebutted by JYQ.

JYQ asserts that Atty. Lauron's lack of diligence is evidenced by the fact that no ejectment suit was filed against the informal settlers. However, it is unclear whether the filing of an ejectment suit was even agreed upon by both parties upon Atty. Lauron's engagement, or if JYQ instructed Atty. Lauron to file an ejectment suit as the negotiations with the informal settlers ensued. As pointed out in the IBP Report, the Letter-Proposal itself recognized that the eviction of the informal settlers shall be made "preferably without the need for a [sic] court intervention." Likewise, the absence of any directive from JYQ to file an ejectment suit during the negotiations with the informal settlers informs the Court of the intention of the parties to proceed with the matter without the need to file a case in court. Presumably, the non-filing of an ejectment suit only became an issue after the eviction did not push through due to the disagreement between Quisumbing and Atty. Lauron.

Considering the foregoing, Atty. Lauron did not violate Canons III and IV of the CPRA.

Atty. Lauron did not breach Canon IV, Section 6 of the CPRA since JYQ was aware of the legal services being rendered.

JYQ posits that Atty. Lauron did not give any updates or reports regarding the eviction of the informal settlers.⁴⁸ On his part, Atty. Lauron

⁴⁷ *Rollo*, pp. 220–221.

⁴⁸ *Id.* at 224.



claimed that he and his team would regularly update JYQ on the progress of the eviction matter.⁴⁹

In resolving this issue, the IBP Report drew logical inferences to conclude that Atty. Lauron did not violate his duty to keep his client updated of the legal matter he is handling, as required in Canon IV, Section 6 of the CPRA:

SEC. 6. Duty to Update the Client. — A lawyer shall regularly inform the client of the status and the result of the matter undertaken, and any action in connection thereto, and shall respond within a reasonable time to the client's request for information.

On this issue, the Court finds no cogent reason to deviate from the findings in the IBP Report. Based on the record, JYQ failed to dispense with its burden to establish Atty. Lauron's violation under the above-quoted provision.

As explained, JYQ had the burden to prove its allegations by substantial evidence. JYQ cannot rely on mere assertions, or the supposed weakness of Atty. Lauron's defense to prove their claim. JYQ did not present any direct evidence to bolster its claim that Atty. Lauron failed to provide updates on the eviction of the informal settlers. The only evidence which may evince their claim are the letters, dated March 6, 2017 and September 7, 2017, indicating JYQ's intent to sever the attorney-client relations between the parties, and demanding the return of the PHP 850,000.00. However, as pointed out in the IBP Report, these letters cannot be given full credence since these were only issued after the relationship between the parties had already soured due to their disagreement over the conduct of the eviction on December 2016.⁵⁰ JYQ did not present correspondence with Atty. Lauron before March 6, 2017 to show the latter's failure to update or inform the former regarding the eviction matter.

Further, JYQ's actions betray its claim that it was not kept abreast regarding the eviction of the informal settlers. As correctly inferred by the IBP CBD, JYQ would not have issued the third check, dated October 17, 2016, in the amount of PHP 350,000.00 for "downpayment for informal settlers and miscellaneous expenses for UPAO" if Atty. Lauron did not sufficiently justify the need for the same.⁵¹

⁴⁹ *Id.* at 219.

⁵⁰ *Id.* at 226.

⁵¹ *Id.*



Accordingly, Atty. Lauron cannot be held liable for a violation of Canon IV, Section 6 of the CPRA.

JYQ failed to establish its claim that the miscellaneous and representation expenses were illegal

Through its Mandatory Conference Brief, dated November 28, 2018, JYQ claims that the miscellaneous and representation expenses, which Atty. Lauron supposedly paid to UPAO and other government agencies, were illegal.⁵² Although JYQ did not specify which Canon or Rule was violated by the alleged act, the Court is aware of how illegal or criminal acts, like Corruption of Public Officials,⁵³ can result in administrative liability.⁵⁴

Atty. Lauron contended that the miscellaneous and representation expenses were not illegal. He averred that said expenses were used to facilitate group meetings between the informal settlers, the UPAO representatives, and other government agencies, as well as pay his team for their services.⁵⁵

Again, JYQ has the burden to present evidence to prove its allegations. Absent proof of actual payment or, at least, the offer to pay government officials, Atty. Lauron cannot be held administratively or criminally liable for the same.

These notwithstanding, the Court finds sufficient reason to hold Atty. Lauron liable under Section 49 of the CPRA.

Atty. Lauron acted contrary to Section 49 of the CPRA for failing to account for all money received from JYQ and for not delivering the remaining balance of the money in his possession upon JYQ's demand

When a lawyer receives money from the client for a particular purpose, the lawyer is bound to render an accounting to the client showing that the money was spent for the intended purpose.⁵⁶ This obligation is enshrined in Section 49 of the CPRA:

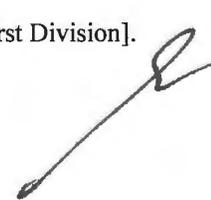
⁵² *Id.* at 92–93.

⁵³ REVISED PENAL CODE, art. 212.

⁵⁴ *See Ramiscal, Jr. v. COA*, 819 Phil. 597, 610 (2017) [Per J. Jardeleza, *En Banc*].

⁵⁵ *Rollo*, pp. 134–137.

⁵⁶ *Olayta-Camba v. Atty. Bongon*, 757 Phil. 1, 7 (2015) [Per J. Perlas-Bernabe, First Division].



SEC. 49. Accounting during Engagement. — *A lawyer, during the existence of the lawyer-client relationship, shall account for and prepare an inventory of any fund or property belonging to the client, whether received from the latter or from a third person, immediately upon such receipt.*

When funds are entrusted to a lawyer by a client for a specific purpose, the lawyer shall use such funds only for the client's declared purpose. Any unused amount of the entrusted funds shall be promptly returned to the client upon accomplishment of the stated purpose or the client's demand. (Emphasis supplied)

Although there is no hard and fast rule as to how the accounting must be rendered, it must be comprehensive enough to, at least, list the amounts in the lawyer's possession, identify their purpose, and confirm how they were spent.

If the money was not used accordingly, the money must be immediately returned to the client.⁵⁷ Otherwise, the lawyer's failure to return the money to his client despite numerous demands is a violation of the trust reposed on him and is indicative of his lack of integrity.⁵⁸

JYQ alleged that Atty. Lauron neglected to provide a comprehensive accounting of all funds received from JYQ. In its Position Paper, dated April 9, 2019, JYQ argued that Atty. Lauron did not provide sufficient documentary proof, such as official receipts, reports, and land surveys, to substantiate that JYQ's funds were utilized for the purposes claimed by Atty. Lauron.⁵⁹ In Atty. Lauron's Motion for Reconsideration and Position Paper, he claimed to have held in trust all the money he received from JYQ and utilized them in accordance with their agreement.⁶⁰

Taking the totality of evidence on record and the submissions of the parties, it is apparent that Atty. Lauron was unable to fully account for the amount of money he received from JYQ and demonstrate that the funds were properly utilized for their intended purposes.

To have an appreciation of the amounts and purposes of the amount of money received by Atty. Lauron, the following factual matters deserve recapitulation.

⁵⁷ *Id.*

⁵⁸ *See Small v. Banares*, 545 Phil. 226, 230 (2007) [Per J. Carpio, *En Banc*], citing *Meneses v. Macalino*, 518 Phil. 378 (2006) [Per J. Carpio, Third Division].

⁵⁹ *Rollo*, pp. 118 & 240–244.

⁶⁰ *Id.* at 228.



Atty. Lauron admits to receiving three checks from JYQ indicating the following amounts and for the following purposes:⁶¹

Amount Received	Date of Check	Purpose
PHP 100,000.00	April 15, 2016	Mobilization Fund.
PHP 400,000.00	May 16, 2016	Mobilization Fund.
PHP 350,000.00	October 17, 2016	Down payment for informal settlers and Miscellaneous Expense for UPAO.
Total: PHP 850,000.00		

Atty. Lauron contended that he utilized PHP 550,000.00 of the PHP 850,000.00 for the following purposes:⁶²

Amount	Purported Purpose
PHP 200,000.00	Professional fees for conducting the land survey.
PHP 150,000.00	Surveillance, field operations and research costs.
PHP 150,000.00	Mobilization and representation expenses.
PHP 50,000.00	Miscellaneous expenses
Total Amount Spent: PHP 550,000.00	

However, as pointed out in the IBP Report, the supposed purposes for which Atty. Lauron used the PHP 550,000.00 do not correspond to the purposes and amounts of the checks he received.⁶³ Most glaring of which is the absence of any payment to the informal settlers who were supposed to be the recipients of the proceeds of the third check bearing an amount of PHP 350,000.00, dated October 17, 2016. This is particularly concerning since the parties have always intended to pay the informal settlers from the beginning. In fact, Atty. Lauron initially proposed to peg the payment for the informal settlers at PHP 450,000.00 through his Letter-Proposal to JYQ.⁶⁴

Clearly, Atty. Lauron failed to provide any justification for the use of money that does not align with their stated purposes, as reflected in the check vouchers.

⁶¹ *Rollo*, pp. 3 & 47.

⁶² *Id.* at 44.

⁶³ *Id.* at 227.

⁶⁴ *Id.* at 9.

Worse, Atty. Lauron did not present sufficient documentary proof to justify his expenses.

The absence of official receipts, or tangible and concrete results like actual reports and land surveys was even pointed out by JYQ in its Position Paper:

25. Nothing in this Investigation that [sic] would show that the professional fees for conducting the land survey in the amount of [PHP] 200,000.00 was indeed conducted. How did the same amount to such number? Where is the Official Receipt? Is the purported surveyor valid and existing? Where is the document or the land survey (Boundary/ Asbuilt) itself?

26. As to the matter of surveillance, field operations[,] and research costs in the amount of [PHP] 150,000.00, the same was not substantiated. Where are the receipts for such operations? Where are the reports of the supposed surveillance, field operations and research? There are no documents to prove that the same were conducted.

27. As to the matter of mobilization and representation expenses as well as miscellaneous expenses, there are no receipts of actual payment for such expense in the amounts of [PHP] 150,000.00 and [PHP] 50,000.00 respectively. The best evidence rule applies and not by mere parole evidence through affidavits in favor of the respondent that should be taken with a grain of salt. The affidavits are only self-serving.⁶⁵

As found in the IBP Report, only two acknowledgement receipts were presented by Atty. Lauron to explain his PHP 550,000.00 expenditure.⁶⁶ These acknowledgement receipts,⁶⁷ dated October 5 and 23, 2016, were for the payment of the boundary or as-built land survey of the Subject Lot for the total amount of PHP 200,000.00. No receipts were presented on the PHP 150,000.00 expenditure for surveillance, field operations and research costs, the PHP 150,000.00 expenditure for mobilization and representation expenses, and the PHP 50,000.00 for miscellaneous expenses.

The only other pieces of evidence presented to substantiate Atty. Lauron's expenses were the Sinumpaang Salaysay⁶⁸ and Judicial Affidavit⁶⁹ of Apolonio Magno (**Magno**), dated September 4, 2018 and April 1, 2019. Magno was hired by Atty. Lauron to conduct research, surveillance, and gather data on the informal settlers. Since Magno came from either Iloilo or Boracay, Atty. Lauron supposedly spent PHP 100,000.00 to pay for Magno's roundtrip airfare during the course of the engagement.⁷⁰ However, aside from

⁶⁵ *Id.* at 187–188.

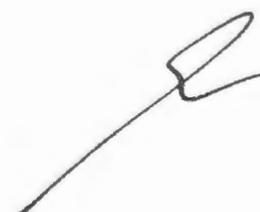
⁶⁶ *Id.* at 229.

⁶⁷ *Id.* at 83–84.

⁶⁸ *Id.* at 70–72.

⁶⁹ *Id.* at 153–162.

⁷⁰ *Id.* at 160.



Magno's bare allegations, no tickets or boarding passes were attached to any of the affidavits to prove the actual expenses covering his trips.

Clearly, no other expense aside from the PHP 200,000.00 payment for the boundary or as-built land survey bore an official or acknowledgement receipt. Notably, despite payment, no actual land survey was presented to JYQ, or attached to any of Atty. Lauron's submissions in this case.

Taken together, these raise doubts about the accuracy of Atty. Lauron's statements on how he utilized the PHP 550,000.00.

In *PNB v. Court of Appeals*,⁷¹ the Court characterized receipts as the best evidence of proving payment. Although the Court acknowledged that receipts are not the exclusive means of proving payment, other evidence may only be presented in lieu thereof if receipts are not available, as in case of loss, destruction or disappearance. In these cases, the fact of payment may be established not only by documentary evidence, but also by parol evidence.⁷²

Atty. Lauron does not allege the loss or destruction of any of the receipts covering the remaining expenses worth PHP 350,000.00. Aside from Magno's affidavits, Atty. Lauron does not put forward any other evidence to bolster his claims.

In *Tarog v. Ricafort*⁷³ and *Sison v. Atty. Camacho*,⁷⁴ the Court emphasized how it is imperative for lawyers to issue receipts, even if not demanded, and to maintain copies of these receipts for their own records. This is in line with the CPRA, which underscores the lawyer's accountability for client funds and the necessity of issuing and keeping receipts to ensure this accountability.

Although both *Tarog* and *Sison* involved administrative cases against lawyers who failed to issue receipts for the money they received, the wisdom behind these cases can be applied to the present dispute which involves a lawyer's failure to secure and safekeep receipts for expenditures involving their client's money. Since the CPRA demands the utmost degree of fidelity and good faith in dealing with the moneys entrusted to lawyers because of their fiduciary relationship,⁷⁵ it is but proper for the Court to expect all lawyers to maintain and keep all documentary proof, specifically receipts, covering transactions involving amounts which are entrusted to them by their clients.

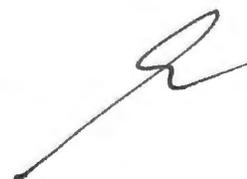
⁷¹ 334 Phil. 120 (1997) [Per J. Kapunan, First Division].

⁷² *Id.*

⁷³ 660 Phil. 618 (2011) [*Per Curiam, En Banc*].

⁷⁴ 777 Phil. 1 (2016) [*Per Curiam, En Banc*].

⁷⁵ *Berbano v. Barcelona*, 457 Phil. 331, 342–343 (2003) [*Per Curiam, En Banc*].



Therefore, Atty. Lauron's failure to provide an accounting and secure documentary proof of all expenses involving JYQ's funds is contrary to Section 49 of the CPRA. As such, the Court finds it appropriate for Atty. Lauron to return all amounts related to unsubstantiated expenditures.

In summary, Atty. Lauron must return the following amounts to JYQ:

Unsubstantiated Expenses	Purported Purpose
PHP 150,000.00	Surveillance, field operations, and research costs.
PHP 150,000.00	Mobilization and representation expenses.
PHP 50,000.00	Miscellaneous expenses
Amount to be returned: PHP 350,000.00	

Following the case of *Olayta-Camba v. Atty. Bongon*, Atty. Lauron had the obligation to immediately return the aforementioned amounts to JYQ. His failure to do so violated the second paragraph of Section 49 of the CPRA:

SEC. 49. Accounting during Engagement. — A lawyer, during the existence of the lawyer-client relationship, shall account for and prepare an inventory of any fund or property belonging to the client, whether received from the latter or from a third person, immediately upon such receipt.

When funds are entrusted to a lawyer by a client for a specific purpose, the lawyer shall use such funds only for the client's declared purpose. Any unused amount of the entrusted funds shall be promptly returned to the client upon accomplishment of the stated purpose or the client's demand. (Emphasis supplied)

Following a long line of jurisprudence,⁷⁶ Atty. Lauron's failure to deliver the amounts upon JYQ's demand raises the presumption of misappropriation. This presumption is strengthened by the fact that Atty. Lauron spent the money for purposes not indicated on the check vouchers and is further confirmed by the absence of any documentary proof for the unsubstantiated expenses worth PHP 350,000.00.

Not all elements required to satisfy the valid exercise of an attorney's lien are present

⁷⁶ *Bondoc v. Atty. Licudine*, 875 Phil. 45 (2020) [Per J. Gesmundo, *En Banc*]. See also *Gamaro v. People*, 806 Phil. 483 (2017) [Per J. Peralta, Second Division],

Atty. Lauron insists that he can validly retain the PHP 300,000.00 in the concept of an attorney's lien in payment for the services he rendered to JYQ.

Although Atty. Lauron did provide legal services for JYQ, the way he exercised his attorney's lien was improper.

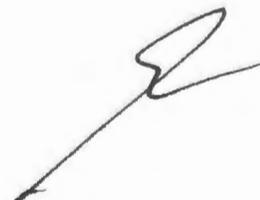
In *J.K. Mercado and Sons v. De Vera*,⁷⁷ the Court discussed how a lawyer can secure compensation for services rendered when there is disagreement between the lawyer and the client:

While, indeed, the practice of law is not a business venture, a lawyer, nevertheless, is entitled to be duly compensated for professional services rendered. So, also, he [or she] must be protected against clients who wrongly refuse to give him [or her] his [or her] just due. Correlatively, a lawyer is entitled to a "lien over funds, documents and papers of his [or her] client which have lawfully come into his possession." Under Canon 16, Rule 16.03 of the Code of Professional Responsibility he [or she] 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." In both cases, however, it is to be assumed that the client agrees with the lawyer in the amount of attorney's fees. *In case of a disagreement, or when the client disputes the amount claimed by the lawyer for being unconscionable, the lawyer should not arbitrarily apply the funds in his [or her] possession to the payment of his fees; instead, it should behoove the lawyer to file, if he [or she] still deems it desirable, the necessary action or the proper motion with the proper court to fix the amount of his attorney's fees.* (Emphasis supplied)

Section 47 of the CPRA provides for a similar remedy in case of non-payment of attorney's fees. Under the CPRA, the lawyer may enforce their attorney's lien by filing a Notice of Enforcement of Attorney's Lien with the court or government agency where the action or proceeding the lawyer rendered service for is pending. This is without prejudice to the other remedies under the law or the Rules of Court:

Sec. 47. Enforcement of Attorney's Lien. — In case of non-payment of attorney's fees, a lawyer may resort to the enforcement of the attorney's lien under Canon III, Section 54, by filing a Notice of Enforcement of Attorney's Lien with the court, tribunal, or other government agency of origin where the action or proceeding the lawyer rendered service for is pending, without prejudice to other remedies under the law or the Rules of Court. The Notice shall be accompanied by proof of the services rendered, and served on the client. The court, tribunal, or other government agency, after hearing, shall determine the lawyer's entitlement to the claimed fees.

⁷⁷ 375 Phil. 766 (1999) [Per J. Vitug, Third Division].



The enforcement of an attorney's lien shall be treated as an independent claim and shall in no instance delay the resolution of the main case. The resolution of the lawyer's claim may be included in the main judgment or in a separate partial judgment. In the case of a partial judgment, the same shall be subject of appeal.

An appeal in the main case shall not stay the execution of the lawyer's lien. In the execution of the judgment in the main case, the court shall give due consideration to the pending claim of the lawyer.

If the claim for attorney's lien arises after a decision has been rendered by the court, tribunal, or other government agency of origin on the action or proceeding, the claim for the enforcement of the lien shall be by an independent action.

Clearly, the disagreement between Atty. Lauron and JYQ regarding the amount of compensation owed to the former did not entitle Atty. Lauron to withhold the remaining amounts in his custody and arbitrarily apply them to the payment of his legal fees.

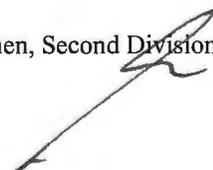
An attorney's lien can only be fully recognized if the presence of the following elements concur: (1) attorney-client relationship; (2) lawful possession of the client's funds, documents and papers; and (3) unsatisfied claim for attorney's fees.⁷⁸ Due to the severance of the attorney-client relationship between JYQ and Atty. Lauron through the Letter, dated March 6, 2017, and the unsubstantiated expenses incurred by the latter, the first two elements required to satisfy the valid exercise of an attorney's lien are absent.

Even assuming that all the requisites for a valid attorney's lien are present, Atty. Lauron cannot appropriate for himself his client's funds without proper accounting and notice to the client. Since there is an ongoing disagreement as to the amount claimed by Atty. Lauron, he should not have applied the funds arbitrarily.

All told, Atty. Lauron's act of withholding the PHP 300,000.00 based on his misguided belief that the same was proper under the concept of attorney's lien, and his failure to return the PHP 350,000.00 despite failing to substantiate the same, are violative of Section 49 of the CPRA.

Despite these, the Court acknowledges Atty. Lauron's entitlement to compensation for the legal services he has rendered. This being the case, the next question to be addressed is how much Atty. Lauron should be entitled to. In this regard, the principle of *quantum meruit*, or "as much as he deserves," may serve as a basis for determining the reasonable amount of fees. *Quantum*

⁷⁸ See *Spouses San Pedro v. Atty. Mendoza*, 749 Phil. 540, 549 (2014) [Per J. Leonen, Second Division].



meruit is a device to prevent undue enrichment based on the equitable postulate that it is unjust for a person to retain benefit without working for it.⁷⁹

The same concept guides Section 24, Rule 138 of the Rules of Court which should be observed to determine Atty. Lauron's compensation:

SEC. 24. Compensation of attorney's; agreement as to fees. An attorney shall be entitled to have and recover from his client no more than a reasonable compensation for his services, with a view to the importance of the subject matter of the controversy, the extent of the services rendered, and the professional standing of the attorney. No court shall be bound by the opinion of attorneys as expert witnesses as to the proper compensation, but may disregard such testimony and base its conclusion on its own professional knowledge. A written contract for services shall control the amount to be paid therefor unless found by the court to be unconscionable or unreasonable.

Also, the criteria found in Section 41 of the CPRA can be used in assessing the fair and reasonable fee which Atty. Lauron can exact:

SEC. 41. Fair and Reasonable Fees. — A lawyer shall charge only fair and reasonable fees.

Attorney's fees shall be deemed fair and reasonable if determined based on the following factors:

- (a) The time spent and the extent of the service rendered or required;
- (b) The novelty and difficulty of the issues involved;
- (c) The skill or expertise of the lawyer, including the level of study and experience required for the engagement;
- (d) The probability of losing other engagements as a result of acceptance of the case;
- (e) The customary charges for similar services and the recommended schedule of fees, which the IBP chapter shall provide;
- (f) The quantitative or qualitative value of the client's interest in the engagement, or the benefits resulting to the client from the service;
- (g) The contingency or certainty of compensation;
- (h) The character of the engagement, whether limited, seasonal, or otherwise; and
- (i) Other analogous factors.

Here, Atty. Lauron extended legal services to JYQ for more than a year. JYQ does not dispute Atty. Lauron's participation in facilitating the sale of the Subject Lot in 2015, and laying the groundwork to effect the eviction of the informal settlers which fell through by 2016. It cannot be denied that the

⁷⁹ *Ignacio v. Atty. Alviar*, 813 Phil. 782, 793 (2017) [Per J. Tijam, Third Division].



parties maintained their attorney-client relationship until the same was severed by the start of 2017.

For his efforts and for the particular circumstances in this case, Atty. Lauron should be allowed reasonable compensation of PHP 400,000.00.

To reiterate, the Court has already ruled on Atty. Lauron's obligation to return PHP 350,000.00 and PHP 300,000.00 (or a total of PHP 650,000.00) to JYQ representing the total amount of expenses which were unsubstantiated by documentary evidence, and Atty. Lauron's improperly withheld attorney's lien respectively.

Considering the Court's determination of reasonable compensation, Atty. Lauron is directed to restate to JYQ the amount of PHP 250,000.00 after legal compensation. The Court deems it proper to do so following the precedent set in *Ignacio v. Atty. Alviar*,⁸⁰ where the Court ordered the return of the acceptance fee paid by the complainant due to the lawyer's negligence in handling their case. Prior to ordering the return of the acceptance fee, the lawyer's reasonable compensation was deducted from the fee paid by the complainant.

Appropriate Penalty

The proper penalty for an errant lawyer depends on the exercise of sound judicial discretion based on the surrounding facts.⁸¹

As discussed, the Court found Atty. Lauron guilty of misappropriating JYQ's funds and failing to render an accounting of JYQ's money in his possession. Notably, Section 33 of the CPRA considers the former a serious offense,⁸² while Section 34 of the same considers the latter a less serious offense.⁸³

⁸⁰ 813 Phil. 782 (2017) [Per J. Tijam, Third Division].

⁸¹ *Alcantara v. Atty. Salas*, 867 Phil. 676, 683 (2019) [Per J. J. Reyes, Jr., First Division].

⁸² CODE OF PROFESSIONAL RESPONSIBILITY AND ACCOUNTABILITY, sec. 33.

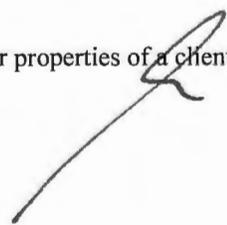
Serious Offenses. — Serious offenses include:

- (a) Gross misconduct, or any inexcusable, shameful or flagrant unlawful conduct;
- (b) Serious dishonesty, fraud, or deceit, including falsification of documents and making untruthful statements;
- (c) Bribery or corruption;
- (d) Gross negligence in the performance of duty, or conduct that is reckless and inexcusable, which results in the client being deprived of his or her day in court;
- (e) Conviction of a crime involving moral turpitude;
- (f) Grossly immoral conduct, or an act that is so corrupt or false as to constitute a criminal act, or so immoral as to be reprehensible to a high degree;
- (g) Misappropriating a client's funds or properties.

⁸³ CODE OF PROFESSIONAL RESPONSIBILITY AND ACCOUNTABILITY, sec. 34.

Sec. 34. Less Serious Offenses. — Less serious offenses include:

....

- (n) Unjustifiable failure or refusal to render an accounting of the funds or properties of a client;
- 

In cases involving multiple offenses arising from separate acts or omissions in a single administrative proceeding, the Court is empowered to impose separate penalties for each offense following Section 40 of the CPRA:

SEC. 40. Penalty for Multiple Offenses. — If the respondent is found liable for more than one [] offense arising from separate acts or omissions in a single administrative proceeding, the Court shall impose separate penalties for each offense. Should the aggregate of the imposed penalties exceed five [] years of suspension from the practice of law or [PHP 1 million] in fines, the respondent may, in the discretion of the Supreme Court, be meted with the penalty of disbarment.

If a single act or omission gives rise to more than one [] offense, the respondent shall still be found liable for all such offenses, but shall, nonetheless, only be meted with the appropriate penalty for the most serious offense. (Emphasis supplied)

Citing Section 37 of the CPRA, the following sanctions can be imposed to Atty. Lauron for misappropriating JYQ's funds:

SEC. 37. Sanctions. —

- (a) If the respondent is found guilty of a serious offense, any of the following sanctions, or a combination thereof, shall be imposed:
- 1) Disbarment;
 - 2) Suspension from the practice of law for a period exceeding six [] months;
 - 3) Revocation of notarial commission and disqualification as notary public for not less than two [] years; or
 - 4) A fine exceeding [PHP] 100,000.00.

Further, citing the same section, the following sanctions can be imposed considering Atty. Lauron's failure to render an accounting of JYQ's money in his possession:

- (b) If the respondent is found guilty of a less serious offense, any of the following sanctions, or a combination thereof, shall be imposed:
- 1) Suspension from the practice of law for a period within the range of one [] month to six [] months, or revocation of notarial commission and disqualification as notary public for less than two [] years;

-
- (o) Unauthorized division of fees with a non-lawyer; and
 (p) Other violations of reportorial requirements.



2) A fine within the range of [PHP] 35,000.00 to [PHP] 100,000.00.

Jurisprudence provides that in similar cases where lawyers misappropriate client's funds and fail to return their client's money despite demand, the Court imposed upon them the penalty of suspension from the practice of law.⁸⁴ In *Burbe v. Magulta*,⁸⁵ the Court suspended the lawyer for misappropriating client funds and failing to file a complaint. In *Segovia-Ribaya v. Lawsin*,⁸⁶ the Court suspended the lawyer for his failure to perform his duties under a retainership agreement and to return the money given to him by his client.

Considering the foregoing, the Court finds the penalty of suspension from the practice of law appropriate.

With respect to Atty. Lauron's serious offense of misappropriating JYQ's funds, the Court finds it proper to impose the penalty of suspension from the practice of law for nine months.

For the less serious offense of failing to render an accounting of JYQ's funds, the Court finds the penalty of suspension from the practice of law for three months warranted.

ACCORDINGLY, Atty. Zafiro T. Lauron is **SUSPENDED** from the practice of law for one year effective upon his receipt of this Decision. He is also ordered to **RETURN** to JYQ Holdings & Mgt. Corp. the amount of PHP 250,000.00 within three months from receipt of this judgment. Atty. Lauron is further **DIRECTED** to submit to this Court proof of payment of the amount within 10 days from payment, and **REPORT** through the submission of a Manifestation when he has started the service of his suspension.

Let copies of this Decision be furnished to: (a) the Office of the Bar Confidant to be appended to Atty. Zafiro T. Lauron's personal record as member of the Bar; (b) the Integrated Bar of the Philippines for its information and guidance; and (c) the Office of the Court Administrator for dissemination to all courts throughout the country.

SO ORDERED.

⁸⁴ *Olayta-Camba v. Atty. Bongon*, 757 Phil. 1, 7 (2015) [Per J. Perlas-Bernabe, First Division].

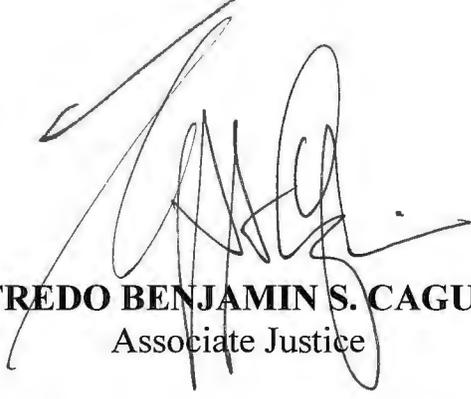
⁸⁵ 432 Phil. 840 (2002) [Per J. Panganiban, Third Division].

⁸⁶ 721 Phil. 44 (2013) [Per J. Perlas-Bernabe, Second Division].



MARIA FILOMENA D. SINGH
Associate Justice

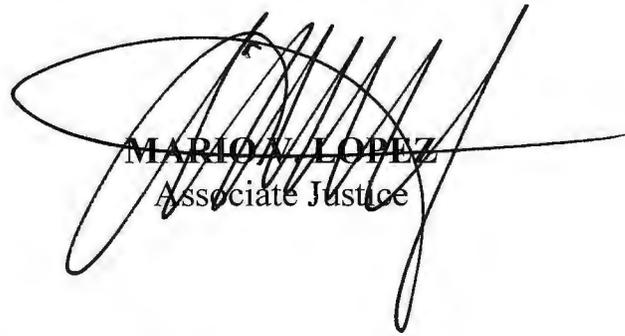
WE CONCUR:



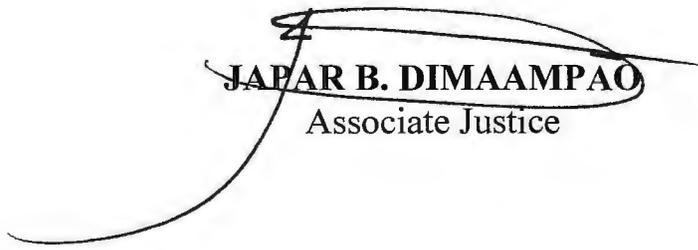
ALFREDO BENJAMIN S. CAGUIOA
Associate Justice



HENRI JEAN PAUL B. INTING
Associate Justice



MARIO A. LOPEZ
Associate Justice



JAPAR B. DIMAAMPAO
Associate Justice