

Title: Gracita P. Domingo-Agaton vs. Atty. Nini D. Cruz

Facts:

Gracita P. Domingo-Agaton sought the professional services of Atty. Nini D. Cruz to assist her in reacquiring an ancestral home in foreclosure by the Philippine National Bank (PNB). Domingo-Agaton was negotiating with PNB to repurchase the property when Atty. Cruz suggested filing a petition for consignment with the Regional Trial Court (RTC) to facilitate the buy-back and asked for PHP 2.5 Million for a bond to PNB. Atty. Cruz received PHP 100,000 as a filing fee and PHP 50,000 as a professional fee.

Atty. Cruz filed a Complaint for judicial consignment with the RTC, which was later dismissed for forum shopping. Unaware of the dismissal, Domingo-Agaton issued a manager's check for PHP 2 Million as instructed by Atty. Cruz, who then deceptively took possession of the check under false pretenses. Eventually, Domingo-Agaton discovered that her check was encashed and used for a different case, Civil Case No. 119-0-2008, involving a different client represented by Atty. Cruz.

Domingo-Agaton's inquiries revealed the funds were improperly withdrawn for the settlement in another case. Despite demands and subsequent criminal charges for qualified theft against Atty. Cruz and the other involved parties, Domingo-Agaton was not refunded.

Procedurally, Domingo-Agaton filed a disbarment complaint with the Office of the Bar Confidant. The Supreme Court issued several resolutions requiring Atty. Cruz to file a comment or show cause for her failures to comply, which she never did. The Supreme Court ultimately resolved to decide the case without considering Atty. Cruz's response.

Issues:

1. Whether Atty. Nini D. Cruz engaged in unlawful, dishonest, immoral, or deceitful conduct.
2. Whether Atty. Cruz's actions constitute malpractice, gross misconduct, or grossly immoral conduct warranting disbarment.
3. Whether Atty. Cruz violated her Lawyer's Oath and the Code of Professional Responsibility.

Court's Decision:

The Supreme Court found Atty. Cruz guilty of dishonest, deceitful, and fraudulent conduct. By failing to disclose the dismissal of the consignment complaint and misappropriating Domingo-Agaton's funds, Atty. Cruz betrayed her professional duties. Her repeated non-compliance with the Court's directives and her silence in the face of accusations were

construed as an admission of guilt. The Court ordered her disbarment and removal from the Roll of Attorneys, and she was instructed to refund the amount of PHP 2 Million with interest.

Doctrine:

The Court reiterated that maintaining good moral character is a prerequisite for membership in the Philippine Bar. Attorneys must not engage in unlawful, dishonest, immoral, or deceitful conduct. Misappropriation of client's funds constitutes gross misconduct and warrants the penalty of disbarment under Section 27, Rule 138 of the Rules of Court.

Class Notes:

- Maintaining good moral character is essential for lawyers.
- Rule 1.01, Code of Professional Responsibility: "A lawyer shall not engage in unlawful, dishonest, immoral, or deceitful conduct."
- Moral turpitude refers to acts that are contrary to justice, honesty, modesty, or good morals.
- Lawyers have fiduciary responsibility towards their clients; misappropriation of funds breaches this trust.
- Section 27, Rule 138, Rules of Court: Grounds for disbarment or the suspension include deceit, malpractice, gross misconduct, grossly immoral conduct, or any violation of the Lawyer's Oath.

Historical Background:

The case represents a serious breach of ethical standards and exemplifies the judiciary's commitment to uphold the integrity of the legal profession in the Philippines. The disbarment of Atty. Cruz serves as a stern reminder that the legal profession demands the highest standards of honesty and ethical behavior from its members and that the Supreme Court will not hesitate to remove those who fail to meet these standards. This decision contributes to upholding the rule of law and protecting the public from unscrupulous members of the bar.