

### Title:

**\*\*Saladaga v. Astorga: A Case of Legal Malpractice and Misrepresentation\*\***

### Facts:

Florencio A. Saladaga and Atty. Arturo B. Astorga entered into a contract titled “Deed of Sale with Right to Repurchase” on December 2, 1981, concerning a parcel of coconut land in Leyte, with the agreement indicating that Astorga, as the vendor, had full ownership and that the land was free of liens and encumbrances. Astorga failed to repurchase within the agreed two years, and no renewal of the contract occurred despite Saladaga’s demand. Saladaga maintained possession until informed by the Rural Bank of Albura (RBAI) in December 1989 that the land had been mortgaged by Astorga, then foreclosed.

Further investigation by Saladaga revealed several alarming facts: the title he was given (TCT No. T-662) was cancelled back in 1972, a new title (TCT No. T-7235) was issued to Astorga after purchasing the property from Philippine National Bank (PNB) in 1979, and Astorga had mortgaged the property in 1984, leading to its eventual foreclosure.

Saladaga sought legal action by filing a criminal complaint for estafa and two administrative complaints for Atty. Astorga’s disbarment. The criminal case was filed with the Municipal Trial Court (MTC) of Baybay, Leyte, while the administrative cases went before the Supreme Court and were subsequently referred to the Integrated Bar of the Philippines (IBP) for investigation, report, and recommendation.

### Issues:

1. Whether Atty. Astorga’s representation and subsequent actions concerning the “Deed of Sale with Right to Repurchase” constituted dishonest, deceitful, and unlawful conduct.
2. Whether Atty. Astorga violated his oath as a lawyer through his dealings in this case.
3. The appropriate disciplinary action against Atty. Astorga for his misconduct.

### Court’s Decision:

The Supreme Court agreed with the IBP Board of Governors’ recommendation to suspend Atty. Astorga from the practice of law for two years, highlighting his dishonesty and deceitful conduct. The Court found that irrespective of the nature of the contract (whether a sale with right of repurchase or an equitable mortgage), Astorga’s actions displayed a clear disregard for ethical standards, leading to his administrative liability. The Supreme Court noted the ambiguous nature of the contract drafted by Astorga as a significant element of deception, worsened by Astorga’s failure to clarify the actual status of the property’s title

and his unauthorized actions leading to its foreclosure.

However, the Supreme Court refrained from ordering Astorga to return the P15,000 consideration, suggesting that such civil liabilities be determined in a civil case.

### ### Doctrine:

This case reiterates the doctrine that as guardians of the law, lawyers must maintain the highest standards of ethical conduct, including honesty, integrity, and fidelity to the law. Any unlawful, dishonest, or deceitful conduct by a lawyer constitutes a violation of the Lawyers' Oath, the Civil Code, and the Code of Professional Responsibility, warranting disciplinary action.

### ### Class Notes:

- **Lawyers' Oath**: Commitment to obey and uphold the law, conduct oneself with honesty and integrity.
- **Article 19, Civil Code**: Requires acting with justice, giving everyone his due, and observing honesty and good faith.
- **Canon 1, Rule 1.01, Code of Professional Responsibility**: Prohibits lawyers from engaging in unlawful, dishonest, immoral, or deceitful conduct.
- **Substantial Evidence in Administrative Cases**: The requirement for evidence in administrative liabilities is lesser than criminal (proof beyond reasonable doubt) or civil (preponderance of evidence) cases.

### Key Concepts:

- Understanding the legal obligations and ethical standards expected of lawyers.
- Distinction between the types of evidence required in different judicial proceedings (criminal, civil, administrative).

### ### Historical Background:

This case underscores the critical role of honesty and integrity in the legal profession, reflecting on the broader expectations for lawyers as custodians of justice beyond mere legal expertise. It illustrates the importance of clear, unambiguous contract drafting and the grave consequences of misrepresentation and deceit, serving as a cautionary tale within the Philippine legal community.