

**\*\*Title:\*\*** In Re Attorney Felix P. David: A Case of Professional Misconduct

**\*\*Facts:\*\*** In 1947, Attorney Felix P. David was engaged by Mr. Briccio S. Henson to handle matters pertaining to the estate of Esteban Henson, including the payment of inheritance and real estate taxes for the years 1945 to 1947. David received a sum of ₱840 from Henson for this specific purpose and issued a receipt acknowledging the same. However, suspicions arose when David repeatedly failed to produce official tax receipts as proof of payment. Henson's subsequent inquiry with the provincial treasurer of Pampanga revealed that the taxes were never paid. Despite repeated promises and demands for either the receipts or a refund, David neither accomplished the tax payments nor refunded the money to Henson. Further, it was established that David did not take substantial action in transferring the land titles to the heirs of Esteban Henson.

Upon the complaint filed against David for professional misconduct, the case was referred to the Solicitor General who, after investigation, found David guilty and recommended disciplinary action. David's consistent non-compliance with the proceedings—in failing to answer the complaint, not attending hearings despite due notices, and requesting repeated postponements—indicated his avoidance of the judicial process.

**\*\*Issues:\*\***

1. Whether Felix P. David committed professional misconduct by misappropriating the funds entrusted to him by his client for the payment of taxes.
2. Whether such conduct warrants disciplinary action by the Supreme Court.

**\*\*Court's Decision:\*\*** The Supreme Court found Attorney Felix P. David guilty of professional misconduct. The court highlighted David's failure to apply the funds received from his client towards the specific purpose of paying the estate's taxes, despite initially assuring the client that such payments had been made. The Court dismissed David's claim that he withheld the funds due to unpaid legal fees as unfounded and considered his actions as misappropriation of client funds. Consequently, David was suspended from the practice of law for a period of five years, with a stern warning that a more severe sanction would be considered if the misappropriated sum was not refunded within one month from the decision becoming final.

**\*\*Doctrine:\*\*** The case reiterates the doctrine that lawyers must hold in trust all moneys and properties of their clients that come into their possession, and failure to do so amounts to professional misconduct warranting disciplinary action.

**\*\*Class Notes:\*\***

- **\*\*Key Element:\*\*** Misappropriation of Client's Funds - A lawyer must hold in trust all moneys of clients that come into their possession. Misappropriation is considered grave misconduct.
- **\*\*Principle:\*\*** Duty of Professionalism - Lawyers owe their clients the duty of complete fidelity and must act with utmost fairness and honesty.
- **\*\*Statutory Provision:\*\*** Rule 127, Section 28 of the Rules of Court (Philippines) - Outlines the procedures in disciplinary actions against lawyers for misconduct, including the hearing process and consequences of non-appearance.
- **\*\*Application:\*\*** Any deviation from these ethical obligations results in disciplinary action, including suspension or disbarment, to maintain the integrity of the legal profession.

**\*\*Historical Background:\*\*** This case underscores the stringent requirements of ethics and professionalism that the Philippine legal system demands from its practitioners. It serves as a caution to all members of the Philippine Bar to adhere strictly to their fiduciary responsibilities, emphasizing that the legal profession is not merely a business but a significant facet of the judicial system entrusted with the high degree of trust.