

Title

Bataan Shipyard and Engineering Company Inc. vs. Atty. Anthony Jay B. Consunji

Facts

Bataan Shipyard and Engineering Company Inc. (BASECO), engaged in various port operations, filed a complaint against Atty. Anthony Jay B. Consunji for allegedly receiving excessive cash advances for professional fees and taxes but failing to provide accounting and liquidation. The cash advances totaled P20,593,781.42 for various expenses between 2007 and 2011. Despite multiple payments for professional fees and taxes on behalf of BASECO, Atty. Consunji did not render the agreed services, nor did he provide official receipts for the transactions.

After failing to get a satisfactory response from Atty. Consunji despite demand letters, BASECO took legal actions, including filing an administrative complaint against him. The complaint detailed Atty. Consunji's alleged failure to provide services for which he was paid, specifically in connection with the registration and reconstitution of land titles for BASECO. Proceedings moved from the Supreme Court, which then referred the case to the Integrated Bar of the Philippines (IBP) for investigation. The IBP initially recommended the dismissal of the complaint for lack of merit, attributing to insufficient evidence from BASECO and partial defense from Atty. Consunji, including his claim of acquittal from related charges by the Ombudsman.

Issues

1. Whether Atty. Consunji violated Rule 16.01, Canon 16, and Rules 18.01 and 18.03, Canon 18 of the Code of Professional Responsibility (CPR).
2. The appropriateness of disciplinary action for Atty. Consunji's actions.

Court's Decision

The Supreme Court reversed the IBP's recommendation, finding Atty. Consunji guilty of violating several canons of the CPR. Atty. Consunji was adjudged to have breached his fiduciary duty to BASECO by failing to account for and liquidate cash advances, failing to issue official receipts, and not providing the agreed legal services. The proof of burden rested on the complainant but shifted due to Atty. Consunji's inability to produce concrete evidence of liquidation or services rendered.

The Court emphasized the lawyer-client trust relationship, highlighting the lawyer's duties to handle client funds with fidelity. Atty. Consunji's general and unsubstantiated claims of

liquidation were insufficient against BASECO's substantiated claims, leading to a conclusion of misappropriation.

For failing to fulfill his professional obligations under Canon 18, despite receiving full payment, and not exercising due diligence, the Court found Atty. Consunji also violated Rules 18.01 and 18.03 of the CPR.

Doctrine

This case reaffirms the doctrine that lawyers must account for all money and property of their clients that come into their possession. It underscores the high degree of fidelity and good faith required in the lawyer-client relationship, especially in handling client funds and fulfilling contracted legal services.

Class Notes

****Key Concepts:****

- ****Fiduciary Duty:**** Lawyers have a fiduciary duty to their clients, requiring them to act with great fidelity, honesty, and integrity.
- ****Code of Professional Responsibility:**** Specifically, Rule 16.01 of Canon 16 on handling client funds, and Rules 18.01 and 18.03 of Canon 18 on competence and diligence in client service.
- ****Burden of Proof:**** In disciplinary proceedings, the burden of proving the allegations rests on the complainant but can shift depending on the evidence (or lack thereof) presented.
- ****Disbarment:**** This case illustrates circumstances under which disbarment is deemed an appropriate sanction for professional misconduct.

****Relevant Legal Statutes or Provisions:****

- Code of Professional Responsibility, Canon 16, Rule 16.01
- Code of Professional Responsibility, Canon 18, Rules 18.01 and 18.03

Historical Background

This case illustrates the ongoing efforts of the Philippine legal system to maintain ethics within the legal profession. It highlights the importance of accountability, professionalism, and the fiduciary relationship between lawyer and client as fundamental to the integrity of legal practice in the Philippines. The decision serves as a stern reminder to all practicing lawyers of the potential consequences of violating the trust reposed in them by their clients and the law.