

Title: Keld Stemmerik vs. Atty. Leonuel N. Mas: A Case of Legal Deception and Grave Misconduct

Facts:

Keld Stemmerik, a Danish citizen, met Atty. Leonuel N. Mas during a visit to the Philippines. Stemmerik, interested in purchasing real estate in the Philippines, was misled by Mas into believing that as a foreigner, he could legally acquire land. Mas recommended a specific property in Subic, Zambales, falsely assuring its alienability. Stemmerik, trusting Mas, paid him P400,000 for legal services and P3.8 million as the purchase price for the property. Mas facilitated a contract to sell and subsequent documents suggesting the sale was legitimate and involved intermediary buyers in an effort to circumvent laws preventing foreign land ownership. When Stemmerik sought to finalize the property registration, Mas became unresponsive, prompting Stemmerik to hire another law firm, which revealed the inalienability of the property and the illegality of foreign land ownership, leading to the discovery of Mas's fraudulent acts. Stemmerik filed a disbarment complaint against Mas with the Commission on Bar Discipline (CBD) of the Integrated Bar of the Philippines (IBP). Mas did not respond to the complaint or attend the mandatory conference, leading to a CBD recommendation for disbarment, which the IBP Board of Governors upheld with the addition of a restitution order of P4.2 million against Mas.

Issues:

1. Was Atty. Mas properly notified of the disbarment proceedings despite his non-appearance and lack of response?
2. Did Atty. Mas's conduct violate the ethical standards of the legal profession and warrant disbarment?

Court's Decision:

The Supreme Court agreed with the IBP's findings and recommendations. It held that sufficient notice was served on Mas despite his attempts to evade the process. By abandoning his known address and failing to update his details with the IBP, Mas was deemed to have waived his right to notice. The Court found Mas guilty of grave misconduct, including deceit, gross ignorance of the law, falsification of documents, and embezzlement of Stemmerik's funds. Mas was disbarred for violations of the lawyer's oath, and several canons of the Code of Professional Responsibility, embodying a fundamental betrayal of the trust reposed in him as a legal professional. Mas was also ordered to return the P4.2 million to Stemmerik with interest and face criminal charges, reflecting the severity of his actions.

Doctrine:

This case reinforces several legal doctrines, including the prohibition against foreigners owning land in the Philippines, the ethical obligations of lawyers to uphold the law, integrity, and trust in legal practice, and the principle that lawyers cannot evade disciplinary proceedings by absconding or concealing their whereabouts. It highlights the paramountcy of honesty, candor, and fidelity in the attorney-client relationship and the legal profession's role in safeguarding the rule of law.

Class Notes:

- Foreign ownership of land in the Philippines is prohibited, a fundamental constitutional policy.
- Lawyers' ethical obligations include upholding the constitution, obeying laws, promoting respect for the legal system, and maintaining the dignity of the legal profession (Relevant canons: Canon 1, 7, 15, 16, 17 of the Code of Professional Responsibility).
- Lawyers must not engage in deceitful, dishonest, or criminal conduct in their professional and private dealings.
- Notice requirements in administrative proceedings are considered met if attempts to serve the respondent are obstructed by the respondent's actions.
- Disbarment is a disciplinary measure for lawyers who commit grave professional misconduct, serving as a mechanism to protect the public and the integrity of the legal profession.

Historical Background:

The prohibition against land ownership by foreigners is rooted in the desire to maintain national sovereignty over land and natural resources, a principle that has been consistently upheld since the 1947 case of *Krivenko v. Register of Deeds*. The case of *Keld Stemmerik vs. Atty. Leonuel N. Mas* demonstrates the continued relevance of this policy and the judiciary's role in enforcing ethical standards within the legal profession, underlining the consequences of abusing the trust inherent in the lawyer-client relationship.