

****Title:****

Mercullo and Vedaño v. Ramon (A.C. No. 6051, July 19, 2016)

****Facts:****

- ****Period from 2002-2011:****

- The National Home Mortgage Finance Corporation (NHMFC) sent numerous demand letters to Carmelite T. Vedaño for unpaid obligations tied to the mortgage of her residential property in Novaliches, Caloocan City.

- ****June 20, 2012:****

- Carmelita received a notice from the sheriff of the Regional Trial Court (RTC) in Caloocan City about an auction of her property scheduled for July 2013.

- ****July 2012:****

- To avoid foreclosure, Carmelita authorized her children, Verlita Mercullo and Raymond Vedaño, to inquire about her arrears amounting to P350,000.00. They met with Atty. Marie Frances E. Ramon, who advised them on their redemption rights.

- ****August 2013:****

- Verlita and Raymond expressed their intention to redeem the property. They arranged a meeting with Atty. Ramon on August 30, 2013.

- ****August 30, 2013:****

- The respondents met Atty. Ramon, handed her P350,000.00, and received two acknowledgment receipts. Atty. Ramon promised to notify them when the redemption documents were ready.

- ****September 4, 2013:****

- Atty. Ramon provided a letter and Special Power of Attorney (SPA) for Carmelita's signature to facilitate the redemption.

- ****September 20, 2013:****

- The complainants discovered that Atty. Ramon was no longer affiliated with NHMFC. They sought her at RTC in Makati City where she assured them the redemption was in process.

- ****November 27, 2013:****

- Verlita and Raymond learned that Atty. Ramon had not made any deposits or filed for

redemption with the RTC in Caloocan City.

- **December 5, 2013:**

- The complainants handed Atty. Ramon a demand letter for the return of the P350,000.00. She promised to return it by December 16, 2013, but failed to do so.

- **Subsequent Actions:**

- Unable to contact Atty. Ramon, the complainants filed a disbarment complaint with the Integrated Bar of the Philippines (IBP).

Issues:

1. Did Atty. Marie Frances E. Ramon violate Rule 1.01, Canon 1 of the Code of Professional Responsibility by engaging in dishonest conduct?
2. Should Atty. Ramon be disciplined for her actions involving the P350,000.00 received from the complainants?
3. What is the appropriate sanction for Atty. Ramon's misconduct?

Court's Decision:

1. **Violation of Rule 1.01, Canon 1:**

- **Issue:** Did Atty. Marie Frances E. Ramon engage in dishonest conduct violating Rule 1.01, Canon 1?

- **Resolution:** The Supreme Court affirmed that Atty. Ramon's actions constituted deceit. She misled the complainants about her ability to process the property redemption, failed to inform them of her cessation from NHMFC, and falsely assured them about the redemption process.

2. **Sanction for Dishonest Conduct:**

- **Issue:** What discipline should be imposed on Atty. Ramon for her misconduct?

- **Resolution:** The Supreme Court found the initial two-year suspension recommended by the IBP insufficient. Based on the severity of Atty. Ramon's conduct, she was suspended from the practice of law for five years and ordered to return the P350,000.00 plus legal interest from the finality of the decision.

Doctrine:

- **Rule 1.01, Canon 1 of the Code of Professional Responsibility:**

- A lawyer shall not engage in unlawful, dishonest, immoral, or deceitful conduct.

- **Lawyer's Oath and Fiduciary Duties:**
- Violations of the Lawyer's Oath and fiduciary duties trigger severe disciplinary actions, including suspension or disbarment.

Class Notes:

- **Key Elements & Concepts:**
- **Unlawful Conduct:** Engaging in deceitful acts.
- **Fiduciary Responsibility:** Handling client funds with utmost integrity.
- **Professional Accountability:** Responding to notices from the IBP and the courts.

Relevant Statutes/Provisions:

- **Rule 1.01, Canon 1 of the Code of Professional Responsibility:**
- Verbally: "A lawyer shall not engage in unlawful, dishonest, immoral, or deceitful conduct."
- **Application:** This provision enforces a lawyer's duty to act with honesty and integrity, emphasizing the importance of trust in the lawyer-client relationship.

Historical Background:

- The case is set against the obligation of legal professionals to maintain high standards of ethics. Atty. Ramon's deceitful conduct eroded public trust and reflected poorly on the legal profession, necessitating strict disciplinary measures to uphold the honor and nobility of the legal vocation. The ruling underscores the legal profession's commitment to serving with competence, integrity, and fidelity.