

**SEBASTIAN FELICES, RAFAEL ACUÑA AND FRANCISCO SANZ,
PLAINTIFFS AND APPELLEES, VS. ANACLETA MADRILEJOS AND
JUAN BANTIGUI, DEFENDANTS AND APPELLANTS.***G.R. No. 27124. October 10, 1927*

Ponente: STREET, J.

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This action was instituted in the Court of First Instance of Romblon by Sebastian Felices, Rafael Acufia, and Francisco Sanz against Anacleta Madrilejos and Juan Bantigui for the purpose of obtaining partition of various parcels of real property which, singularly enough, are not described in the complaint but which appear to have belonged years ago to Maximo Madrilejos and Agustina Rutor (both deceased), and for the purpose of recovering from the defendants the sum of more than P18,000, the alleged value of plaintiffs' share of the produce of the property for the years during which the plaintiffs claim to have been excluded from participation. Upon hearing the cause the trial judge declared each of the three plaintiffs to be the owner of an undivided one-fifth and the two defendants to be the owners of two-fifths, and ordered that the property be partitioned in the proportions stated, unless, within sixty days, the parties in interest should arrive at a friendly division. Judgment was also given in favor of the plaintiffs to recover of the defendants the sum of P600 annually since May 1, 1918, until definitive partition should be effected, with costs. During the proceedings in the court below the defendant Anacleta Madrilejos died, and she has been substituted by an administrator. From the judgment rendered as above stated Juan Bantigui and the administrator of Anacleta Madrilejos appealed.

It appears that Maximo Madrilejos and his wife Agustina Rutor, formerly residents of Romblon, were in life the owners of many parcels of land in Romblon. Both died, intestate, twenty-five or thirty years ago, leaving neither ancestors nor descendants, and the only persons interested in their estates were Anacleta Madrilejos, a sister of Maximo Madrilejos, Juan Bantigui, a nephew of a sister of Maximo Madrilejos, and Felieiano Rutor, a nephew of Agustina Rutor. Anacleta Madrilejos, being the nearest in blood, seems to have possessed herself of the property pertaining to the deceased couple, and in order to enforce a division Felieiano Rutor instituted, administration proceedings over their estates and caused an administrator to be appointed. In the course of those proceedings the court ordered Anacleta Madrilejos to surrender the properties and assets of the estate to the administrator, and in connection with that order she appears to have been disciplined by the court for contempt. Again, she was proceeded against for sequestering or hiding some of the property, but this proceeding was dropped by the prosecutor.

In the year 1905 Rafael Acuña, a young attorney who had just been admitted to the Bar, took up his residence in Romblon. Not long thereafter he was retained by Anacleta Madrilejos as her attorney, and he appears to have rendered some legal service for her in litigation connected with the administration just mentioned. In the early part of September, 1906, the contract upon which this litigation is based was executed between the three present plaintiffs (together with Conrado Barrios) of the one part, and Anacleta Madrilejos and Juan Bantigui of the other part. Fundamentally it is a contract for legal services to be rendered by attorneys Acuña and Barrios to the

defendants, though the same contract recognizes and defines the rights of Sanz and Felices, who agreed to advance the expenses incident to the contemplated litigation.

Rafael Acuña, as witness for plaintiffs, describes the situation as existing at and prior to the time this contract was made substantially as follows: Before the coming of Acufia and Barrios to Romblon Anacleta Madrilejos and Juan Bantigui had been harassed by litigation in connection with the intestacy of Maximo Madrilejos and Agustina Rutor; and not only were they harassed, but even persecuted by persons interested in sending the two to jail. In view of the fact that Anacleta Madrilejos had already spent much money in that litigation, she and Juan Bantigui came to Acuña and Barrios and proposed that, in order to avoid the continued paying out of money, they would transfer to the attorneys all their disposable property, provided they could escape being put in jail. Acuña replied that they would undertake to defend the two for two-fifths of the property which they would receive from the estate. Then, as they had nothing with which to bear the expenses of the attorneys in coming and going, and their maintenance in Romblon, Acuña told them to find a money-lender who could bear said expenses. They then spoke to Sebastian Felices and Francisco Sanz with a view to getting them to advance the necessary money to sustain the litigation. In the end an agreement was reached which was expressed in the contract Exhibit A.

Directing our attention now to this agreement, we find that, after stating the names of the parties, the instrument proceeds to recite that Anacleta Madrilejos and Juan Bantigui, as parties to civil proceeding No. 14 over the estate of Maximo Madrilejos and Agustina Rutor, have entrusted to Barrios and Acuña, as attorneys, the management and defense of said proceeding and all other similar criminal or civil proceedings growing out of the same, until their termination in the Supreme Court, if an appeal should be necessary. Then follows the following clauses:

"2. That as compensation for these services the said Anacleta Madrilejos and Juan Bantigui agree to give or assign four-fifths of the share that may be awarded to them in said administration proceeding No. 14, to Messrs. Barrios and Acuña, Francisco Sanz, and Sebastian Felices; provided that the latter two, Sanz and Felices, defray the expenses that may be incurred by attorneys Barrios and Acufia in the prosecution of said cases.

"3. That, in any event, Anacleta Madrilejos and Juan Bantigui agree to satisfy the costs, and pecuniary penalty, and to suffer such personal penalty as may be imposed upon them by the law, provided that any civil or criminal action arising from the original civil case No. 14, whether in favor or against Anacleta Madrilejos and Juan Bantigui, jointly, or against each of them, shall be handled only by Messrs. Barrios and Acuña, and the expenses defrayed by Messrs. Francisco Sanz and Sebastian Felices, said Anacleta Madrilejos and Juan Bantigui being liable to the extent of the aforesaid four-fifths that may be adjudicated to them in said administration proceeding No. 14.

"4. That Messrs. Francisco Sanz and Sebastian Felices, being informed of the foregoing propositions of Anacleta Madrilejos and Juan Bantigui, are entirely agreed thereto, binding themselves to pay such expenses as Messrs. Barrios and Acuña may require by virtue hereof in an amount not less than 1,000 nor more than 2,000 pesos.

"5. That Messrs. Barrios and Acuña hereby agree to render their professional services as attorneys, jointly or separately, or in case of emergency, to delegate the same to an attorney of their confidence.

"6. That Anacleta Madrilejos and Juan Bantigui agree not to employ any other attorney without the consent of attorneys Barrios and Acuña, and, in any event, if said Anacleta Madrilejos and Juan Bantigui disregard them or employ another attorney against their will, said Barrios and Acuña are relieved of their obligation and are entitled to recover equitable fees for the services already rendered, and to bring the proper action for damages, and Messrs. Sanz and Felices shall likewise be relieved from this obligation.

"7. That after the termination of this litigation and any arising therefrom, the parties hereto shall make the

following division of the shares pertaining to Anacleta Madrilejos and Juan Bantigui in civil case No. 14. Said shares shall be appraised and divided into five equal parts, one-fifth going to Anacleta Madrilejos and Juan Bantigui: two-fifths to Messrs. Francisco Sanz and Sebastian Felices; and two-fifths to Messrs. Barrios and Acuña."

Not long after this contract was made Conrado Barrios was appointed provincial fiscal. He at once separated himself from association with Acuña in the case above mentioned, and he was succeeded in this capacity by Simeon Dadivas, pursuant to the provision for substitution of attorneys in the contract.

So far as we can discover no contentious litigation requiring the services of an attorney ever occurred in the civil proceeding No. 14, for the three persons interested in the estate, at the suggestion apparently of the administrator, met in a friendly way and arrived at a compromise without the assistance of any lawyer. This agreement was reduced to writing and was presented in court for approval by attorney Dadivas. By this compromise (Exhibit B) eight parcels of land were assigned to Juan Bantigui and other sixteen parcels to Anacleta Madrilejos, the parcels assigned to Feliciano Rutor not being mentioned in this exhibit. It will be noted that these twenty-four parcels assigned to Juan Bantigui and Anacleta Madrilejos are precisely the parcels of which partition is sought in the present proceeding.

Upon the approval of the compromise agreement above mentioned the proceedings in civil case No. 14 were concluded, and no more litigation of any kind occurred in connection therewith. After the conclusion of the case Dadivas died (date not stated); and we find that on July 10, 1915, his widow, Maria Basa, as special administratrix and executrix, transferred to Rafael Acuña and Sebastian Felices the share to which Dadivas was entitled in the property inherited by Anacleta Madrilejos and Juan Bantigui, pursuant to the contract Exhibit A. By virtue of this transfer and the previous substitution of Dadivas in place of Barrios, the plaintiffs Acuña and Felices claim to be owners of the interest which had pertained to Barrios under the contract Exhibit A. The defendants on the other hand claim that Dadivas was retained independently, and was paid for his services by special agreement. In the view we take of the case this question appears to be unimportant, and we shall assume that the plaintiffs are the owners of any rights with respect to compensation which pertained to Barrios and his successor Dadivas.

The division above mentioned was effected among the three sharers of the estate by orders of the court dated September, 1909, and September, 1910. Having entered into possession of their respective portions, Anacleta Madrilejos and Juan Bantigui observed the practice of delivering yearly four-fifths of the produce of the coconut groves to Felices as representative of himself and his other three associates in the contract Exhibit A. This practice was followed until in 1918, during which time Anacleta Madrilejos and Juan Bantigui delivered produce to Felices of the value of more than P5,000. The fund thus received was divided by Felices among the four associates, as long as Dadivas lived, and after the death of Dadivas among the three who are now plaintiffs. In explanation of the failure of Bantigui and his aunt to continue dividing the income from the property with Felices and associates Bantigui says that the original understanding with the plaintiffs was that he and his aunt would divide the produce of the land for eight years, within which time it was contemplated that their obligations to Acuña and Barrios, as attorneys, and Sanz and Felices, as capitalists, would be wholly satisfied; and he claims that the document was incorrectly written in so far as it expressed an absolute conveyance of four-fifths of the property to the four associates. As might have been expected this claim appeared unconvincing to the trial judge and was rejected by him. We take it that Bantigui and his aunt quit dividing the proceeds from the land because they had come to think that they had been imposed upon and had done enough.

Let us now turn to consider the merits of the plaintiffs' case from the point of view of money advanced and services rendered. It will be remembered that by paragraph 4 of the contract Exhibit A Sanz and Felices were obligated to supply expense-money to Barrios and Acuña in the amount of not less than P1,000 nor more than

P2,000. The books containing these advances were kept by Felices and they show that between August 31, 1906, and February 10, 1910, the sum of P743.53 was advanced by Felices and Sanz to the lawyers upon account of Anacleto Madrilejos. This is all that is justly chargeable upon that account, for it will be remembered that the contract contemplated advances to be made in the future. In making this statement we have allowed as a valid charge the sum of P200 paid to Acuña on August 31, 1906, for the defense of the motion for contempt; and although this payment was anterior to the contract, it was made only a few days before the contract and was probably contemplated by the parties as part of the indebtedness to be incurred thereunder.

It appears that Anacleto Madrilejos was indebted upon an older account to Felices, running back several years anterior to the contract with which we are now concerned. These items were incurred in connection with matters prior to the arrival of Acuña in Romblon, and they are not properly chargeable against Anacleto Madrilejos and Juan Bantigui under the contract now in question. The same may be said concerning three items charged to Bantigui under date of July 31, 1912, and later. When these obligations were incurred the services contemplated in the contract had long been rendered. It results that the proper items chargeable against the two defendants under said contract are limited to about the sum of P743.53, as already stated. It is therefore clear that, apart from the fact that the capitalists never advanced as much money as they promised to supply, they have been repaid many times over for that which they in fact advanced under the contract. In addition to this even the items of the personal account against Anacleto Madrilejos have been satisfied from the proceeds of coconuts delivered by her and her nephew.

Another thing is evident from the books of Felices, which is, that the copra delivered from time to time to Felices was credited to Anacleto Madrilejos upon current account. This shows that Felices treated the conveyance of property effected by the contract Exhibit A rather as a security for the advances than as a definitive conveyance of the interests now claimed in the property by himself and associates. It is self-evident therefore that, the indebtedness having been satisfied, the conveyance of the interest in the real property ceases to have any vigor.

With respect to the services and compensation of Acufia, it will be remembered that in civil proceeding No. 14 there was really nothing to be done except to divide the property among heirs, there being no other person having any claim upon the property. No contentious litigation therefore ensued, and the services rendered by Acufia and his associates were not arduous. When it is considered that the lawyers have obtained all together more than P2,500 from the produce of the property, it must be admitted that they have been adequately paid for services rendered.

With respect to the contract Exhibit A as a contract for compensation to be paid for legal services, we are of the opinion that it is unreasonable and unenforceable. The testimony of Acufia himself shows that at the time the contract was made Anacleto Madrilejos and Juan Bantigui were in an excited state of mind, owing to fear of being put in jail; and there are provisions in the contract itself which suggest that the lawyers, instead of striving to allay these fears, contributed to feed the fire. A client who comes into a lawyer's office and voluntarily offers to give everything he possesses provided the lawyer will keep him out of jail is in no state of mind to enter into a contract for services. Besides, the agreement to convey fourfifths of all the property that the two heirs would derive from the estate under administration to Acuña and his associates provided for grossly excessive compensation. The witness Adriano Rios, once governor of the province, testified that he acted as commissioner in the administration of the Madrilejos estate, and knows the property which is the subject of litigation. Said property in his opinion is worth from P35,000 to P40,000; and he says that in 1906 the estate in course of administration was worth about P15,000.

It will be remembered that the plaintiffs Acufia and Felices are assignees of the estate of Simeon Dadivas, who was at one time their associate (as successor of Barrios) under the contract Exhibit A. The admissions of Dadivas

are therefore competent evidence against the plaintiffs. The Exhibit 8 is a letter written March 17, 1912, to Anacleto Madrilejos by Dadivas, dealing with the matter of this contention between her and Felices. In this letter Dadivas says in substance: "It deprives me of dignity to take part in that division which Don Sebastian (Felices) proposes to make as being simply immoral for me; for I have learned about the wrongs involved in it, and I should not like in the future to feel disgrace or shame before persons who know."

It is impossible, we think, to examine this record without feeling a certain sympathy with the sentiment there expressed by this attorney.

Our conclusion is that the action is not maintainable: for the reason, first, that, as to the attorneys, the contract in question provides for unreasonable compensation and is therefore unenforceable; and, secondly, as to the capitalists, that their advances have been fully repaid.

The judgment appealed from will be reversed, and the defendants will be absolved from the complaint, without costs. So ordered.

Avanceña, C. J., Malcolm, Villamor, Johns, and Villa-Real, JJ., concur.

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